

In the Matter of:)
)
Business Meeting)
_____)

THURSDAY, DECEMBER 19, 2013
10:00 A.M.

CALIFORNIA REPORTING, LLC
52 Longwood Drive, San Rafael, California 94901 (415) 457-4417

Commissioners Present (*Via Phone)

Robert B. Weisenmiller, Chair
Karen Douglas
Andrew McAllister
David Hochschild
Janea Scott

Staff Present:

Rob Oglesby, Executive Director
Michael Levy, Staff Counsel
Caryn Holmes, Chief Counsel's Office
Chris Kavalec, Demand Analysis Office
Dave Ashuckian, Deputy Director, Efficiency Division
Lezlie Kimura-Szeto, Adviser to Commissioner Scott
Alana Matthews, Public Advisor

	<u>Item No.</u>
Phil Cazal	3
Marsha Smith	4
Elizabeth Shirakh	4
Chris Kavalec	5

Others Present (* Via WebEx/Phone)

Manuel Alvarez, Southern California Edison
Harry Simpson, President, Crimson Renewable Energy L.P.
Cliff Rechtschaffen, Office of Governor Jerry Brown
Michael Bedard, Policy Director on behalf of Assembly
Member Nancy Skinner
Cathleen Moore, Department of Education, on behalf of
Superintendent of Public Instruction, Tom Torlakson,
Substituting for Jeannie Oropeza
Eric Premack, Charter Schools Development Center
Eric Bakke, Los Angeles Unified School District
Martha Alvarez, San Diego Unified School District
Martha Diepenbrock, California Conservation Corps
Tom Kelly, KyotoUSA
Robert Chase, Division of State Architect
Mike Hodgson, Consol Energy
Erik Emblem, Joint Committee on Energy and Environmental
Policy, and Western States Council of Sheet metal, Air
Rail, and Transportation Workers
Joey Barr, Pacific Gas & Electric Company (PG&E)
Jeff Vaca, California Association of School
Business Officials

Others Present (* Via WebEx/Phone)

Rick Brown, President, Terra Verde

Bill Orr, Executive Director, Collaborative for High
Performance Schools (CHPS)

Anthony Andreoni, Director of Regulatory Affairs,
California Municipal Utilities Association (CMUA)

Anna Ferrara, School Energy Coalition

Allison Bially, Retroficiency

Tamara Rasberry, Sempra Energy Utilities, SoCal Gas, and
San Diego Electric

Patrick Keal, Big Ass Fans

Christophe Ruch, HVAC Technician, represents NOAA

Nidia Bautista, representing Senator Kevin De Leon,
Co-Chair of Proposition 39

*Dan Chia, SolarCity and on behalf of Solar Energy
Industries Association (SEIA)

Kate Gordon, Next Generation (Tom Steyer)

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P R O C E E D I N G S

DECEMBER 19, 2013 10:08 a.m.

CHAIRMAN WEISENMILLER: Good morning.

Let's start the Business Meeting with the Pledge
of Allegiance.

(Whereupon, the Pledge of Allegiance was
recited in unison.)

CHAIRMAN WEISENMILLER: Okay, so in terms
of the order for today's agenda, we won't have
anything under Item 2, and I'm going to take up
Item 5 before Item 3. So with that, let's go to
the Consent Calendar.

COMMISSIONER DOUGLAS: Move the Consent
Calendar.

COMMISSIONER SCOTT: Second.

CHAIRMAN WEISENMILLER: All those in
favor?

(Ayes.) This items passes unanimously.

CHAIRMAN WEISENMILLER: Let's go on to
Item 4 - or, excuse me, Item 5, which is the
California Energy Demand 2014-2024 Final
Forecast, and this is a consideration of the
remainder portions. Chris Kavalec, please.

MR. KAVALEC: Good morning. I'm Chris
Kavalec from the Demand Analysis Office, and by

1 the time of the adoption of our forecast at last
2 week's business meeting, we and Southern
3 California Edison had some unresolved differences
4 with regard to their Peak Forecast, or more
5 specifically, the proper value to use for a 2013
6 Weather Normalized Peak for the Southern
7 California Edison Transmission Access Charge or
8 TAC area. And the starting point is, of course,
9 important because the growth in peak is driven
10 off of that starting point.

11 So our forecast was basically adopted
12 minus the Edison Peak portion. Since then, in
13 the last week, we and Edison staff with the help
14 of CAISO have resolved these differences, and we
15 now have a new final peak forecast for Southern
16 California Edison, and we have a two-page write-
17 up that either has been posted already, or will
18 be posted today, and there are some copies on the
19 table outside. And what I will do today is
20 briefly summarize that write-up.

21 Southern California Edison had too many
22 concerns about our peak forecast, and the first
23 had to do with a possible data discrepancy
24 between the CAISO hourly loads that we use to
25 develop our normalized peak, and Edison's own

1 hourly load data. And California ISO staff
2 looked into their hourly loads, reviewed how they
3 were put together, checked with their
4 consultants, who processed the data and found no
5 issues with regards to proper coverage of the
6 Edison TAC area. So Management directed staff
7 here to continue to use the Edison CAISO hourly
8 load data to do the weather normalization
9 analysis.

10 The other concern was with how the
11 weather normalization analysis was put together,
12 and Edison, as well as others, suggested a couple
13 of changes that we were comfortable with in
14 making in the analysis. The first had to do with
15 the historical period used to develop "average
16 weather" for normal weatherization analysis. We
17 agree to use a shorter historical period, 30
18 years instead of our typical 55 years,
19 recognizing that, with climate change, a more
20 recent historical period may be more reflective
21 of current and near future weather.

22 The other suggestion had to do with the
23 specification of the underlying regression that
24 supports the weather normalization analysis, and
25 we made a change in the specification. And these

1 two changes together increase the Edison TAC
2 Area, weather normalized peak for 13 by around
3 321 megawatts.

4 Now, when we go from an Edison TAC area
5 peak to a planning area peak, what are the
6 adjustments -- and the planning area peaks are
7 what we show most often in our forecast reports
8 -- one of the adjustments you have to make is to
9 subtract off estimated peak pumping loads from
10 the California Department of Water Resources. It
11 had been my understanding up until this point
12 that the pumping loads that CAISO provides us for
13 Southern California included only CDWR loads, but
14 during these same discussions we had with Edison
15 and CAISO, I discovered that those loads actually
16 include both Metropolitan Water District and
17 CDWR. So therefore, our estimated peak load for
18 pumping was too high. So we had to reduce the
19 CDWR estimated pumping loaded peak by around 200
20 megawatts.

21 Now what that means is that, when you're
22 going from a TAC area to a Planning area, you're
23 subtracting off a smaller number, and therefore
24 your planning area number is going to be higher.
25 So the SCE weather normalized 2013 planning area

1 peak increases by 500 megawatts. The 320 from
2 the TAC adjustment plus the adjustment for DWR.

3 So to sum up, our starting point, our
4 2013 Weather Normalized Peak Forecast for the SCE
5 TAC increases by 321 megawatts, and the 2013 Peak
6 for the SCE Planning Area increases by 510
7 megawatts. And our forecast has changed,
8 rescaled to reflect those new starting points.

9 And I want to thank Edison and CAISO
10 staff for their cooperation and helping us
11 resolve these differences. One more thing about
12 this weather normalization process, we will
13 endeavor to come up with a consistent method
14 across the utilities so that we don't run into
15 these analysis methodology issues in future
16 forecasts. And with that, I'll turn it over to
17 the dais and thank you all for your patience.

18 CHAIRMAN WEISENMILLER: Well, thank you.
19 Thanks for digging into this. This is sort of
20 the Scientist on the Commission and so I sort of
21 like to get things right. So, again, I
22 appreciate that. I understand that we obviously
23 haven't eliminated all of our differences from
24 Edison, we've made some progress, and certainly
25 appreciate your work on that item. I think

1 Manuel Alvarez from Edison may have a few words?
2 I should also announce that the overflow room
3 across the hall is available for those of you who
4 want to be listening without standing.

5 MR. ALVAREZ: Good morning,
6 Commissioners. Manuel Alvarez, Southern
7 California Edison. I just have a few comments
8 I'd like to make and, first of all, let me
9 express my gratitude to the Commission and to the
10 staff, especially Chris and Sylvia and Kevin and
11 the CAISO. I think, you know, in this short
12 timeframe from last week, this was a major effort
13 to kind of dig into some information that perhaps
14 we could have discovered earlier, but we didn't.
15 So I appreciate everybody's effort. I know we're
16 looking at the holiday schedule here, so I know I
17 was impacting a few people at Edison, as well as
18 the ISO, and I'm sure some folks here at the CEC.

19 But we actually support now the Energy
20 Commission's forecast. I think there's still
21 some differences in terms of some of the
22 weatherization, and those are matters in which we
23 will work on in the future and our Demand
24 Analysis Working Group will be looking at that.
25 So with that, I'm pleased to recommend that you

1 support the new forecast.

2 In terms of your question of what we
3 would recommend for consideration of analysis, I
4 guess where we end up now is kind of recommending
5 and advocating for the mid demand forecast and
6 the low to mid additional achievable energy
7 efficiency. However, we still feel that there is
8 some basis to support the Mid demand forecast, as
9 well as the Mid Additional Achievable Energy
10 Efficiency. So we're still wrestling with that
11 internally, but at this juncture and the adoption
12 you're having, we recommend that you adopt the
13 Low to Mid Additional Achievable Energy
14 Efficiency for future analysis that you're going
15 to do.

16 The other item I want to bring to your
17 attention is we understand that the various
18 agencies, CAISO, CPUC and the CEC, will be doing
19 additional work based on this analysis, so what
20 we would like to recommend is that you perform
21 some of that analysis either on the scenario
22 work, or as an additional effort, that you look
23 at the one and 10 year Mid and Low Achievable
24 Energy Efficiency so that it can be at least
25 consistent with some of the assumptions under the

1 LCR analysis and the current work under the TTTP
2 planning process at the ISO. We know that's work
3 that still has to be undertaken and we know there
4 is discussion going on among the agencies of how
5 you proceed on that analysis. But at least at
6 this juncture we feel we can support the
7 Commission adopt the adjustments that Chris
8 offered. With that, I thank you.

9 CHAIRMAN WEISENMILLER: Thank you.
10 Commissioners, any questions or comments?

11 COMMISSIONER MCALLISTER: I'll just say
12 definitely happy to get this little hiccup
13 resolved and, you know, certainly as we get this
14 IEPR put to bed and we pass on to the next year's
15 IEPR and subsequent forecast updates and full
16 forecast, we definitely want to sort of see this
17 coming earlier so we have a little more comfort
18 across the board with it. But certainly the
19 staff that figured this out in a week and came to
20 agreement is to be commended. So thanks Chris
21 and other parties for that.

22 CHAIRMAN WEISENMILLER: With that, I
23 would like to move that we adopt the Revised 2013
24 Weather Normalized Peaks for the Edison
25 Transmission Access Charge in Planning Areas

1 recommended by staff, and that we direct staff to
2 make informing changes to the California Energy
3 Demand 2014-2024 Final Forecast to reflect these
4 revisions.

5 COMMISSIONER MCALLISTER: I'll second.

6 CHAIRMAN WEISENMILLER: All those in
7 favor?

8 (Ayes.) This item also passes
9 unanimously. Thanks, Chris, for getting this
10 done.

11 CHAIRMAN WEISENMILLER: With that, let's
12 go on to Item 3, Crimson Renewable Energy LP.
13 Possible approval of Agreement ARV-13-007 and
14 this is ARFVTP funding. And Phil Cazal, go
15 ahead.

16 MR. CAZEL: Good morning. My name is
17 Phil Cazal from the Emerging Fuels and
18 Technologies Office. I'm presenting Agreement
19 ARV-13-007 for possible approval to provide \$5
20 million in Alternative and Renewable Fuel and
21 Vehicle Technology Program Funds to Crimson
22 Renewable Energy.

23 These funds will support a project to
24 expand the current production capacity and lower
25 the carbon intensity of biodiesel produced at

1 their existing commercial facility in
2 Bakersfield, California. The facility currently
3 produces 10 million gallons of biodiesel per year
4 from used cooking oil, animal fats and waste corn
5 oils. These feedstocks are considered ultra-low
6 carbon intensity and they produce clean burning
7 biodiesel, which is used for blending into
8 California's transportation fuel market.

9 This project will expand and modify
10 several components of the existing facility to
11 remove known bottlenecks and improve the energy
12 efficiency of the production process.

13 The proposed changes will reduce overall
14 water consumption by 40 to 50 percent and improve
15 water recycling. This decreased water use, along
16 with improvements to the steam heat supply and
17 vacuum systems will reduce electricity and
18 natural gas consumption by 10-15 percent per
19 gallon of biodiesel produced.

20 Another key benefit of these improvements
21 is a 14 percent reduction in the carbon intensity
22 of the resulting biodiesel from the current 14
23 grams to approximately 12 grams of CO₂
24 equivalents per megajoule.

25 Upon completion, the facility will be

1 able to produce approximately 17 million gallons
2 per year of certified ultra-low carbon intensity
3 biodiesel. This would be a 70 percent increase
4 in plant capacity and an additional seven million
5 gallons per year. This biodiesel will displace
6 approximately 6.4 million gallons of diesel and
7 the equivalent of 76,000 metric tons of CO₂ per
8 year.

9 The Energy Commission will be providing
10 \$5 million towards the total project cost of
11 \$11,017,047, and will be matched by over
12 \$6,017,000 from Crimson Renewable Energy. If
13 approved, this project is expected to be
14 completed and fully operational within one year.

15 In accordance with the California
16 Environmental Quality Act Guidelines, staff has
17 reviewed the San Joaquin Unified Air Pollution
18 Control District's Initial Study and Mitigated
19 Negative Declaration, has no information
20 indicating that the environmental documentation
21 is inadequate, and has considered this Initial
22 Study and Mitigated Negative Declaration in
23 deciding whether to recommend approval of the
24 proposed agreement.

25 Staff is asking the Commission for two

1 actions today: the first is to adopt the proposed
2 resolution determining that, with existing
3 mitigation as specified in the Mitigated Negative
4 Declaration, this project's potential
5 environmental impacts will be less than
6 significant; and second, that the Commission
7 approve proposed Grant Award ARV0-3-007 in the
8 amount of \$5 million.

9 Crimson Renewable Energy's President, Mr.
10 Harry Simpson, is here today, as well as myself
11 to answer any questions. Thank you.

12 CHAIRMAN WEISENMILLER: Mr. Simpson, do
13 you want to say a few words?

14 MR. SIMPSON: Yes, thank you. As Phil
15 noted, we're the state's largest biodiesel
16 producer in Bakersfield, California, and we make
17 ultra-low carbon biodiesel fuel that currently
18 takes -- he said 76,000 tons, so that's like
19 23,000 vehicles coming off the road.

20 We'd like to thank the Energy Commission
21 and the Board and the State of California for
22 their support in our efforts to expand our
23 production and further reduce carbon intensity
24 and metric tons reduction in GHG equivalent. In
25 particular, I would like to thank Commissioner

1 Scott for her support, and also to staff members
2 Jim McKinney, Tim Olsen, Bill Kinney, and Phil
3 Cazel for their support and working with us to
4 quickly complete the contract process.

5 We look forward to completing this
6 expansion and going up to 17 million gallons per
7 year as our Phase 1; we have a Phase 2 already in
8 the works that will take us to 22 million, and
9 look forward to inviting Commissioner Scott and
10 other members of the staff, and any other
11 Commissioners who would like to attend to our
12 ribbon cutting at the end of 2014. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you.
14 Commissioners, any questions or comments for
15 staff or this gentleman?

16 COMMISSIONER SCOTT: Thank you, Harry,
17 for coming to join us today, and thank you, Phil
18 and team for your diligent work in getting this
19 so expeditiously before us here at the
20 Commission. I support this project. Were there
21 other questions? Okay, so I will move that we
22 adopt the proposed resolution and approve the
23 award.

24 COMMISSIONER DOUGLAS: Second.

25 CHAIRMAN WEISENMILLER: Okay, all those

1 in favor?

2 (Ayes.) This item also passes
3 unanimously. Thank you.

4 CHAIRMAN WEISENMILLER: Let's go to Item
5 4, which is California Clean Energy Jobs Act -
6 2013 Program Implementation Guidelines.
7 Elizabeth Shirakh, please.

8 MS. SMITH: Good morning, Commissioners.
9 I'm Marsha Smith. I manage the local Assistance
10 and Financing Office of the Efficiency Division.
11 And I'm responsible for the implementation of the
12 California Clean Energy Jobs Act, also known as
13 Proposition 39.

14 On November 6, 2012, in the Statewide
15 General Election, California voters passed
16 Proposition 39, the Clean Energy Jobs Act.
17 Proposition 39 added Division 16.3 commencing
18 with Section 26200 to the Public Resources Code.
19 It also added or amended Sections of the Revenue
20 and Taxation Code, which made changes to
21 Corporate Income Tax Code.

22 The projected revenue from these changes
23 is allocated to the General Fund and to the Job
24 Creation Fund for five fiscal years beginning
25 with Fiscal Year 2013-2014. Under the

1 initiative, approximately \$550 million annually
2 is available to be appropriated by the
3 Legislature for eligible projects to improve
4 energy efficiency and expand clean energy
5 generation.

6 In June 2013, the Legislature passed and
7 the Governor signed Senate Bill 73, which enabled
8 the Clean Energy Jobs Act and added to the Public
9 Resources Code commencing with Section 26220.
10 Senate Bill 73 appropriated Proposition 39
11 revenue, including \$381 million in awards to
12 Local Educational Agencies, or LEAs, which
13 include County Offices of Education, School
14 Districts, Charter Schools, and State Special
15 Schools for energy efficiency and clean energy
16 projects; \$47 million in awards to California
17 Community College Districts for energy efficiency
18 and clean energy projects; \$28 million to the
19 Energy Commission for low interest and no
20 interest revolving loans for eligible energy
21 projects and technical assistance; \$3 million to
22 the California Workforce Investment Board to
23 develop and implement a competitive grant program
24 for eligible workforce training organizations to
25 prepare disadvantaged youth, veterans, and others

1 for employment in clean energy fields.

2 In addition to Senate Bill 73
3 appropriation, the Governor's 2013-2014 Budget
4 appropriated \$5 million to the California
5 Conservation Corps to perform Energy Surveys and
6 other energy conservation related activities.

7 In Fiscal Years 2014-2015 through 2017-
8 2018, LEAs and Community Colleges will receive
9 allocations from the Clean Energy Job Fund when
10 funds are appropriated by the Legislature.
11 Public Resources Code 26235 requires the Energy
12 Commission to establish guidelines for the
13 California Clean Energy Jobs Act in consultation
14 with the Superintendent of Public Instruction,
15 the California Community Colleges, and Public
16 Utilities Commission. A revision to the
17 Governor's Budget subsequently permitted the
18 Chancellor's Office for the Community Colleges to
19 proceed separately with Guidelines for Fiscal
20 Year 2013-2014.

21 At the end of June 2013, the Energy
22 Commission established a Management Team to work
23 on the Proposition 39 Clean Energy Jobs Act
24 Guidelines. We also established an Interagency
25 Work Group, which includes the Department of

1 Education, the Public Utilities Commission, the
2 Labor Agency, Workforce Investment Board,
3 Division of State Architect, and the California
4 Conservation Corps. Both groups have met almost
5 every week, bringing us to today where we are
6 presenting the Final Guidelines for your
7 consideration.

8 The process to produce this document
9 before you today has required numerous
10 intermediate steps. Even before the Guidelines
11 could be developed, initial actions by the
12 Department of Education and the Energy Commission
13 were required to comply with the statute. These
14 included the notification prior to August 1,
15 2013, to small Local Educational Agencies of the
16 option to bundle two years' of funding,
17 establishing draft guidelines for LEAs to request
18 award funding for energy planning activities, and
19 notifying LEAs of the award reservation period
20 for planning activities and releasing the
21 requested awards.

22 In July and August, the Energy Commission
23 helped focus discussions with multiple
24 stakeholders and education associations to gain
25 input for the Draft Guidelines we were

1 developing. In early September, the Energy
2 Commission distributed a first draft of the
3 Guidelines to members of the Interagency Work
4 Group for review and comments. The Energy
5 Commission revised the Guidelines based on this
6 input and, on September 27, 2013, posted the
7 Draft guidelines for public review and comment.

8 In October 2013, the Energy Commission
9 held five public meetings and three Webinars on
10 the Draft Guidelines to answer questions and
11 receive comments. These outreach efforts
12 resulted in a total of over 500 participants.
13 The Commission also opened the Docket and
14 received over 175 submittals prior to the close
15 of the public comment period.

16 In November 2013, Commission staff
17 organized the comments into subject areas,
18 reviewed the issues, and made recommendations for
19 Guidelines changes. The staff continued to
20 follow-up with commenters and to me when
21 clarification was required.

22 On November 15th, the Energy Commission
23 posted Notice of the December 19th Business
24 Meeting, and on November 22nd, posted the
25 Guidelines which were revised based on the

1 Docketed public comments.

2 This brings us to the Guidelines which we
3 present to you today for consideration. Liz
4 Shirakh, the Proposition 39 Guidelines Project
5 Manager, will present the Guidelines and
6 highlight changes incorporated since the November
7 22nd version. We have provided copies in
8 strikeout underline and a document summarizing
9 the changes. These were also posted on our Prop.
10 39 webpage this morning for those participating
11 via the Web. Liz.

12 MS. SCHIRAKH: Good morning,
13 Commissioners. My name is Elizabeth Shirakh from
14 the Local Assistance and Finance Office of the
15 Efficiency Division. I am the Project Manager
16 for the Proposition 39 Guidelines document.

17 For your consideration and possible
18 adoption, I will present an overview of the
19 Proposed Prop. 39 California Clean Energy Jobs
20 Act 2013 Program Implementation Guidelines,
21 referred to as "the Guidelines" from this point
22 forward in my presentation.

23 Before I start my presentation, I would
24 like to point out that staff has made some minor
25 modifications to the Draft Resolution that was

1 posted, in part to accommodate the Energy
2 Commission's adoption of changes to the published
3 Draft Final Guidelines at today's Business
4 Meeting. A copy of the Amended Resolution is in
5 the package of Prop. 39 materials in the back of
6 the room.

7 To begin my presentation, I'd like to
8 state that the majority of the Guidelines are
9 required in statute; as a result, it is truly a
10 balancing act designing a program with the right
11 equilibrium point between meeting the public
12 accountability requirements, ensuring energy
13 savings and job creations are documented, and
14 providing full transparency to the public, and
15 meeting the needs of local education agencies by
16 providing a simple program which is not overly
17 burdensome and provides funding for the much
18 needed energy projects in our California schools,
19 and job creation for our state.

20 My presentation will include an overview
21 of all sections of the Proposed Guidelines. I
22 will review the main components of each chapter,
23 but the majority of my presentation will focus on
24 Chapter 2, the Local Educational Agency
25 Proposition 39 Award Program. In the

1 presentation of the Guidelines, I will also
2 highlight the Guideline revisions. These are
3 revisions that are also summarized in the Prop.
4 39 Guidelines Revision Summary handout available
5 today and that were also posted online. These
6 are revisions resulting from public comment
7 period between the first draft released on
8 September 27th and our Proposed Guideline document
9 presented today.

10 To provide better understanding,
11 throughout my Powerpoint presentation bullet
12 points in green are revisions that mirror the
13 handout revisions, and bullet points in red are
14 items deleted, no longer in the proposed
15 Guideline document.

16 I would also like to mention that the
17 Proposed Guidelines before you today are in
18 underline strikeout; these underline strikeout
19 revisions represent the changes that have
20 occurred between the November 22nd revision and
21 the Final Guidelines presented today.

22 To begin the overview, the Guidelines are
23 organized in three chapters, the first chapter is
24 the Background and General Information; Chapter 2
25 is the majority of the document and outlines the

1 Local Educational Agency Proposition 39 Award
2 Program; and Chapter 3 includes the Additional
3 Proposition 39 State Resources; and the final
4 section of the Guidelines includes Appendices A
5 through J.

6 Chapter 1, the Background and General
7 Information. This chapter provides the
8 introductory information and rules for the
9 overall Prop. 39 Program. This section includes
10 the Guidelines overview, funding distribution
11 information, guideline authority, and the legal
12 requirements concerning confidentiality,
13 effective date of Guidelines, and outlines the
14 process for any future changes to the Guidelines.

15 Chapter 2, Local Educational Agency Award
16 program is the section that details the
17 requirements and process for the program for
18 schools. I will not be discussing every detail
19 of this section, but I will highlight the major
20 elements, especially the components that
21 generated public comment.

22 I would also like to point out that
23 beginning in Chapter 2, many sections and
24 subsections begin with the actual Public
25 Resources Code language requirement highlighted

1 in a gray shadowed box. This is to help guide
2 the reader to understand the statute requirement
3 dictating or directing the Prop. 39 program
4 requirements.

5 Chapter 2 begins with Eligibility
6 Requirements. The Local Educational Agency Award
7 Program provides energy efficiency projects and
8 clean energy installation grant funding to Local
9 Educational Agencies, also known as LEAs. LEAs
10 are County Office of Education, School Districts,
11 Charter Schools, and State Special Schools. All
12 facilities within an LEA are eligible for
13 funding, therefore, in addition to classrooms,
14 other sections of the building area such as LEA
15 office facilities, auditoriums, multi-purpose
16 rooms, gymnasiums, cafeterias, kitchens, pools,
17 and special purpose areas, can be considered for
18 funding.

19 Eligibility of LEAs in leased facilities,
20 and especially those in privately leased
21 facilities, have been one of the most challenging
22 sections to develop and write within the
23 Guidelines. Significant changes have evolved
24 since the original September 27th Draft Guideline
25 document. An LEA in a leased facility may use

1 Prop. 39 program funding if the following
2 conditions are met: the first condition is the
3 cost-effectiveness criteria. In addition to
4 meeting the Savings to Investment Ratio, SIR, of
5 1.05, which I will address later in the
6 presentation, each energy measure must have a
7 simple payback either within the remaining period
8 of the lease agreement, or the remaining period
9 of the charter contract term, whichever is
10 shorter.

11 Also, to ensure that an LEA in a
12 privately owned leased facility receives the
13 energy savings cost benefit of the Prop. 39
14 funded energy measure, a building owner's written
15 certification is required if: an LEA leases a
16 privately owned facility or building that does
17 not have a separate meter, and/or an LEA leases a
18 privately owned facility or building, and the
19 lease payments include the utility cost.

20 If either of these above conditions
21 apply, building owner must commit to transferring
22 the cost savings of the energy improvements to
23 the LEA tenant either through a reduced lease
24 payment or other form of monetary reimbursement.

25 The program schedule is the next section

1 of Chapter 2 on page 6 and 7. This provides an
2 overview of the anticipated Prop. 39 program
3 implementation schedule. I will highlight a few
4 of the significant dates that relate to the
5 program rollout. For example, the first item
6 listed in the schedule is the State
7 Superintendent of Public Instruction, or SSPI,
8 Release of Energy Audit and Planning Funds. This
9 release was last month in November with a second
10 scheduled release scheduled for February 2014,
11 and a potential third release in the spring of
12 2014. LEAs request this funding option through
13 the California Department of Education's Prop. 39
14 webpage.

15 The next bullet is when the Energy
16 Commission begins accepting Energy Expenditure
17 Proposals. This is scheduled for next month,
18 January 2014. Once Energy Expenditure Plans are
19 reviewed and approved by the Energy Commission,
20 SSPI will begin allocating the awards. This can
21 happen now as early as February 2014. The third
22 bullet is highlighted in green because his is a
23 new date changed from the previous date of May
24 2014.

25 Following the schedule section is the

1 Award Allocation information. This section
2 describes the formula-based allocation and the
3 annual award calculation. The funding awards are
4 based on a formula methodology with 85 percent
5 based on an Average Daily Attendance, also
6 referred to as ADA, reported as of the second
7 principal appointment for the prior fiscal year,
8 and 15 percent based on the number of students
9 eligible for free and reduced price meals program
10 in the prior year. This allocation formula
11 establishes a minimum funding award level in a
12 four-tiered system, as illustrated on this slide.
13 This is also in the Guidelines as Table 1,
14 Minimum Funding Award Levels.

15 On the screen, you can see the four
16 tiered levels and the minimum funding awards.
17 The California Department of Education from this
18 point on, referred to as CDE, will calculate the
19 LEA funding award for each fiscal year. Once the
20 CDE compiles the prior year ADA, and the free and
21 reduced meal information, the CDE will calculate
22 the total awards for all LEAs based on the amount
23 appropriated for Prop. 39 during the annual
24 budget process.

25 This next slide highlights the two-year

1 combined award option offered to LEAs with 1,000
2 or fewer prior ADAs. This would be an LEA in the
3 Tier 1 and 2 categories from the previous slide.
4 What this means is that LEAs are eligible to
5 receive both the current year award and the
6 following year award in the current year. This
7 is designed to give those LEAs with smaller grant
8 allocations more funding at the beginning years
9 of the program to encourage implementing energy
10 projects sooner. So, for example, if an LEA
11 requests a two-year combined award option this
12 year, they would receive both this year's
13 allocation and next year's allocation now. But
14 it should be noted that next year, they would not
15 have this option because they've already received
16 their second year funding award.

17 Looking forward in Year 3 of the program,
18 the LEA could once again request this combined
19 award option with the third and fourth year
20 allocation combined. LEAs can request this two-
21 year combined funding by applying online through
22 CDE. For this first year of program funding,
23 this option was announced on July 17th and the due
24 date to make the selection was August 1st. In the
25 future the due date will be September 1st.

1 Another option for LEAs in the Prop. 39
2 program is the option to request Prop. 39 funding
3 for energy planning activities. Energy planning
4 funding reservation option provides LEA the
5 opportunity to request a portion of their fiscal
6 year 2013-2014 award for energy planning now,
7 without submitting an energy expenditure plan to
8 the Energy Commission. This option is available
9 only for the Fiscal Year 2013-2014 award of the
10 Prop. 39 program and is intended to be used for
11 planning activities for subsequent fiscal years
12 throughout the five-year program. Therefore, no
13 energy planning fund request option will be
14 offered in subsequent years. This program option
15 was first highlighted when I reviewed the Prop.
16 39 Program Implementation Schedule on Slide 7.

17 Energy Planning funds can be spent on
18 four approved activities; originally, this had
19 only been two activities, the first bullet,
20 Energy Audits and Energy Survey Assessments, and
21 the second bullet, Proposition 39 Program
22 Assistance. Based on public comments, LEAs may
23 now use their planning funds as they choose from
24 four approved categories. Two categories were
25 added: bullet 3, Hiring or Retaining an Energy

1 Manager, and bullet 4, Energy-Related Training
2 for Classified Employees. Table 2 in the
3 Guidelines on page 10 provides a detailed
4 description for each of these four eligible
5 energy planning activities.

6 This next slide explains the maximum
7 energy planning award funding request, which is
8 outlined in the Guidelines. LEAs with first year
9 awards of \$433,000 or less may request up to
10 \$130,000 of their first year award for planning
11 activities. And LEAs with a first year award of
12 \$433,001 or more, may request up to 30 percent of
13 their first year award for planning activities.

14 For the final energy planning fund slide,
15 I'd like to highlight changes resulting from
16 public comment. Two major changes are reflected
17 in the Proposed Guidelines: first, previous
18 funding limits of 85 percent and 15 percent for
19 specific categories have now been removed,
20 therefore no funding limits associated with any
21 of the four energy planning activities. Also,
22 the \$1 million cap for LEAs receiving large
23 awards was removed. LEAs receiving awards over
24 \$433,001 may now request up to 30 percent of
25 their first year award, as I mentioned on the

1 previous slide.

2 For LEAs that have already requested the
3 previous maximum of \$1 million for energy
4 planning funding, these LEAs can simply reapply
5 to CDE in February requesting up to 30 percent of
6 their first year award.

7 Moving to the next topic covered in the
8 Guidelines, the Large Eligible Energy Project
9 Award Requirement, this was another area that
10 received a large number of public comments. This
11 is the requirement that LEAs receiving an award
12 of more than \$1 million in any one fiscal year
13 must submit an Energy Expenditure Plan and in
14 which at least 50 percent of the funds are for a
15 large energy project. A Large Eligible Energy
16 Project is defined as a group of energy
17 efficiency measures and clean energy generation
18 measures combined for a project cost totaling
19 more than \$250,000. This large energy project is
20 intended to be at an individual school site.

21 Many LEAs requested that the Energy
22 Commission change the language to allow the large
23 energy project to be implemented over several
24 school sites, not one school site. The Energy
25 Commission sought clarification to better

1 understand the intent of this requirement. It
2 was determined that our initial interpretation
3 was correct, the intent of the statute is that a
4 project be targeted at a single school site, not
5 a project over several school sites; therefore,
6 the meaning of the section did not change, but it
7 was rewritten for better understanding.

8 On the next slide, I would like to
9 discuss leveraging of award funding. LEAs may
10 pursue other programs and incentives to leverage
11 the Prop. 39 award. The Guidelines list several
12 potential funding programs such as local
13 government programs, utility programs, and the
14 Energy Commission's ECAA Ed Loan Program. The
15 Final Guidelines now also include bond funding on
16 this list. And for additional clarification, a
17 sentence has been inserted in Appendix E, the SIR
18 Calculation Narrative, that addresses additional
19 financing used with Prop. 39 funding award.

20 The Guidelines provide LEAs some
21 additional funding options for energy related
22 training and energy managers beyond the energy
23 planning option previously discussed. The Prop.
24 39 statute specifically calls out energy training
25 for classified school employees, therefore,

1 energy training is a funding option for program
2 years two through five. As part of an Energy
3 Expenditure Plan submission, LEAs can request up
4 to two percent of the fiscal year award for
5 energy efficiency training of classified school
6 employees. Many LEAs expressed a concern that
7 more Prop. 39 funding was needed for energy
8 training, and therefore the previous funding
9 limit of a maximum of \$1,000 is now removed.

10 Like the training award allocation,
11 Energy Manager funding is also available for
12 Years 2 through 5 as part of an Energy
13 Expenditure Plan option. For Fiscal Years 2014
14 and 2015 through 2017 and 2018, an LEA will have
15 the option of requesting up to 10 percent of its
16 award to hire or retain an Energy Manager or
17 multiple Energy Managers. Energy Managers may be
18 LEA staff or outside consultants. LEAs too small
19 to justify hiring their own manager may consider
20 pooling their Energy Manager funding, ensuring
21 the services of an Energy Manager. Also note
22 that the previous maximum funding cap of \$100,000
23 is now removed.

24 Now that I've discussed many of the Prop.
25 39 program elements, I will now focus on the

1 simple eight-step application process detailed in
2 Chapter 2 of the Guidelines. Each of these steps
3 is required in statute, therefore the associated
4 Public Resource Code is highlighted in a gray
5 shadowed box at the beginning of each step
6 discussion.

7 The first step to receive Prop. 39
8 program funding is to provide the Energy
9 Commission access to utility data at a school
10 site level. Each LEA must identify all electric,
11 natural gas, propane, and fuel oil accounts for
12 all of its schools and facilities and provide a
13 signed utility data release form allowing the
14 Energy Commission to access the past 12 months of
15 historic utility billing data, and future billing
16 data through 2023.

17 Based on public comment and working
18 cooperatively with utility stakeholders
19 statewide, this step was simplified. The Energy
20 Commission now requires only a signed utility
21 data release form and will work directly with
22 utilities to coordinate the data transfer from
23 the utilities to the Energy Commission.

24 Step one is only required for the first
25 Expenditure Plan submitted by an LEA. After the

1 Energy Commission receives an LEA's utility data
2 release form, future Energy Expenditure Plans
3 will only have seven steps.

4 The other changes to this section include
5 a new table, Table 3, Utility Billing Data
6 Reporting Schedule. This provides a better
7 understanding of when the data is transmitted to
8 the Energy Commission from the Utility Company
9 and the reporting time periods. And finally, the
10 Time of Use Interval Data requirement was
11 deleted.

12 Step 2, Benchmarking. An LEA must
13 benchmark to determine the energy use intensity
14 of any school site that receives Prop. 39 Program
15 funding. The energy use intensity reflects the
16 rate of energy use of a school site. LEAs only
17 need to benchmark school sites for Prop. 39
18 funding will be used for eligible energy
19 projects. The Benchmarking Calculation is now
20 built into the Energy Expenditure Plan, which
21 will calculate the total energy cost per square
22 footage per year, and the annual total KBtus per
23 square foot per year. This section was revised
24 for clarification in the Guidelines posted on
25 November 22nd.

1 Moving forward in the application
2 process, Steps 3 and Step 4 are recommended
3 approaches for LEAs to consider as part of the
4 energy project identification. Step 3 is a Self-
5 Certification of Eligible Energy Project
6 Prioritization Considerations. As clearly
7 illustrated in the Guidelines, this is a Public
8 Resource Code requirement that identifies 11
9 factors for LEAs to consider when identifying
10 energy measures and prioritizing eligible energy
11 projects for program awards. These 11 factors
12 are listed on page 16 and 17 of the Guidelines.

13 As part of the Energy Expenditure Plan,
14 an LEA is required to self-certify that they have
15 followed the Guidelines regarding energy project
16 prioritization considerations. Step 4 is a self-
17 certification for sequencing of facility
18 improvements found on page 18. The Energy
19 Commission recommends that LEAs consider a
20 sequencing approach when identifying facility
21 improvements. When evaluating energy project
22 potential, an LEA should first consider energy
23 efficiency projects, next consider clean onsite
24 energy generation projects, and finally, consider
25 non-renewable projects. Again, as part of an

1 Energy Expenditure Plan, an LEA is required to
2 self-certify that they followed the Guidelines
3 regarding the sequencing of facility improvement
4 considerations.

5 Another Guideline area that generated
6 public comment was the previous Exhibit B,
7 Typical Cost-Effective K-12 Energy Projects,
8 which was before referenced in this section.
9 Because of public confusion regarding the
10 projects listed and the associated priority
11 rankings, this exhibit has now been removed from
12 the Guidelines.

13 Before I continue to Step 5, I'd like to
14 discuss clean energy generation projects.
15 Throughout the presentation, I've mentioned
16 energy efficiency measures, but I'd like to point
17 out that clean energy generation projects are
18 also eligible energy projects for Prop. 39
19 funding. We understand there's great public
20 interest in clean energy generation, especially
21 by those LEAs that have ambitiously implemented
22 energy efficiency measures in the past. So
23 projects such as solar energy generation, wind
24 generation, and combined heat and power projects
25 are eligible for funding.

1 Step 5 is the process of identifying
2 eligible energy measures for Prop. 39 program
3 award funding. The Guidelines allow for three
4 methods when identifying energy measures and
5 calculating the associated energy savings. The
6 first method is the Energy Survey with Energy
7 Commission Energy Saving Calculator tools
8 available to estimate the energy savings of a
9 project identified through an Energy Survey.
10 Appendix B, Energy Saving Calculators, now list
11 21 different energy measures that will have
12 online energy saving calculators available.

13 The second method is an ASHRAE Level 2
14 Energy Audit. Some complex energy efficiency
15 measures will likely need an ASHRAE Level 2
16 Energy Audit to clearly identify project costs
17 and estimated energy savings.

18 The third method is using other energy
19 efficiency measure screening tools such as Data
20 Analytics. Data Analytics refers to what is
21 typically called a "no-touch" or "web-based"
22 virtual energy assessment. This technique
23 combines benchmarking process and the Energy
24 Survey described in Method 1. Revisions to this
25 section include clarification regarding

1 organizations that can provide technical
2 validation and examples of product evaluation
3 processes that LEAs may provide as documentation.

4 Step 6 is the cost-effectiveness
5 determination. The Public Resources Code
6 requires all projects shall be cost-effective,
7 total benefits shall be greater than project
8 costs over time, and that the Energy Commission
9 establish a cost-effective determination.

10 Therefore, we have established that the Prop. 39
11 program will use a savings to investment ratio to
12 determine cost-effectiveness. This ratio
13 compares the investment the LEA will make now
14 with the energy cost savings the LEA will achieve
15 over time.

16 The eligible energy project, the
17 portfolio of bundled energy measures at each
18 school site, submitted in one Energy Expenditure
19 Plan must achieve a minimum SIR of 1.05. Energy
20 Efficiency Measures may have an SIR lower than
21 1.05, but the Energy Project Portfolio must
22 achieve a minimum SIR requirement and be approved
23 for a Prop. 39 Award. I would also like to
24 mention that the non-energy benefit percentage in
25 the savings to investment ratio calculation has

1 now been increased from three percent to five
2 percent.

3 Step 7 is the final step for requesting
4 Prop. 39 funding, which is to complete and submit
5 an Energy Expenditure Plan. This plan is the
6 application an LEA uses to request Prop. 39 Award
7 funding and to implement proposed eligible energy
8 projects. The Energy Expenditure Plan includes
9 all information specified in these Guidelines.
10 LEAs must complete and submit an Energy
11 Expenditure Plan to the Energy Commission and
12 that Energy Expenditure Plan must be approved by
13 the Energy Commission for the LEA to receive
14 Prop. 39 Program Award funding.

15 The Energy Commission offers flexibility
16 to LEAs when submitting and organizing Energy
17 Expenditure Plans. Based on public comment, we
18 revised the options, and now all LEAs have the
19 same options for submitting Energy Expenditure
20 Plans. As shown on the screen, these options are
21 an Annual Award Expenditure Plan, or a Multiple-
22 Year Bundled Award Energy Expenditure Plan. This
23 could be any combination such as a two-year
24 bundled plan, up to a five-year bundled Energy
25 Expenditure Plan.

1 And finally for this slide, I'd like to
2 point out that we have deleted the previous
3 option for LEAs in Tier 4 to submit two to four
4 Energy Expenditure Plan Applications per year. I
5 will briefly review the Energy Expenditure Plan
6 content next. LEAs must apply to the Energy
7 Commission as specified in the Energy Expenditure
8 Plan Form, and explained in the Energy
9 Expenditure Plan Handbook. This handbook is
10 really the instruction book guiding LEAs on the
11 form specifics. I would like to mention that the
12 Energy Commission intends to provide training
13 workshops statewide in January and February to
14 help LEAs understand the Expenditure Plan forms
15 and process.

16 In addition, the Commission will also
17 have a hotline available to answer all types of
18 Prop. 39 questions. The Energy Commission will
19 soon release an e-blast launching the Prop. 39
20 Hotline Assistance and the phone number.

21 The general content of the Energy
22 Expenditure Plan is outlined in the Guidelines
23 and includes 10 items. The first is Consent for
24 Utility Provider to Release Data that was Step 1;
25 Benchmarking, the Energy Use Intensity, which is

1 Step 2; Energy Measure Description and
2 Information, and this is developed from Step 3
3 through 6; a Description of Energy Planning
4 Funds; Energy Training Requests; Energy Manager
5 Requests; and there are three additional ones on
6 the next page, the next slide: We have Job
7 Creation Benefit Estimates; Self-Certification of
8 Compliance with Various Requirements; and Lease
9 Facilities Certification, if applicable.

10 Finishing the Energy Expenditure Plan
11 Overview. The Energy Commission is also required
12 to review and approve every LEA Energy
13 Expenditure Plan. The Energy Commission will
14 screen each Energy Expenditure Plan for energy
15 project eligibility criteria and completeness and
16 evaluate the proposal for technical and financial
17 accuracy. No other criteria or scoring will be
18 used to evaluate Energy Expenditure Plans.

19 Energy Commission staff will process the
20 Energy Expenditure Plan on a first come, first
21 serve basis. After an Expenditure Plan is
22 reviewed and approved, the Energy Commission will
23 notify the LEA and CDE and will also post a
24 Notice of Approval on the Energy Commission's
25 Prop. 39 webpage. About once a quarter, CDE will

1 process an appointment for the total approved
2 Prop. 39 awards since the last payment period.

3 The final step of the Prop. 39 program is
4 Step 8, which is the Tracking and Reporting
5 Requirement. LEAs must report between 12 and 15
6 months after the completion of all eligible
7 energy projects on an Energy Expenditure Plan.

8 Annual Reports. Because it may be years
9 before an LEA is required to submit a final
10 report, LEAs are required to submit an Annual
11 Progress Status Report for each approved Energy
12 Expenditure Plan to the Energy Commission until
13 all eligible measures within an Energy
14 Expenditure Plan are completed. This requirement
15 was revised from the Quarterly Progress Status
16 Report to the current requirement of Annual
17 Progress Status Reports.

18 Final Reports. Public Resource Code
19 requires seven key elements to be reported 12 to
20 15 months after the completion of approved energy
21 projects. This information includes final
22 project cost, energy savings, equipment
23 information, job creation benefits, project
24 duration, and energy use intensity after project
25 completion. Two of these elements, Energy

1 Savings and Job Creation Benefits, have more
2 detailed descriptions in the Guidelines to help
3 LEAs understand various methods available to
4 complete this requirement.

5 The final five subsections of Chapter 2
6 discuss general Prop. 39 rules that apply to
7 Energy Projects. The first, Energy Expenditure
8 Plan Implementation Changes, discusses Change of
9 Scope Conditions. These are the significant
10 changes in the approved Energy Expenditure Plan.
11 Second, there is a subsection on Energy
12 Efficiency Project Construction Compliance
13 requirements for the Division of the State
14 Architect. This is highlighted in green on the
15 slide because this section was revised and
16 simplified from the original draft.

17 The next subsection is Contracts.
18 Although this section did not change, I would
19 like to briefly reiterate that the Guidelines
20 defer to the LEAs' own procurement regulations
21 and procedures as long as they reflect applicable
22 State and local laws and regulations, and are not
23 in conflict with the minimum legal standards
24 specified in the Prop. 39 statute. The
25 Guidelines do not address the specific issue of

1 the sole source contract prohibition and the
2 contracting process in Government Code 4217.
3 Because Prop. 39 Guidelines apply to a variety of
4 LEAs, such as School Districts, County Office of
5 Education, Charter Schools, and State Special
6 Schools, each individual entity covered by these
7 Guidelines may have different procurement laws
8 and the contracting process in Government Code
9 4217 may apply differently, depending on the
10 entity. Therefore, LEAs need to consult their
11 own legal counsel for interpretation of
12 Government Code 4217 relating to the Prop. 39
13 Sole Source Contracting Prohibition.

14 Finally, the last two subsections of
15 Chapter 2 include a new section, Public Works
16 Project Award Notification. This Subsection was
17 added to help LEAs better understand existing law
18 requirements for Public Works Projects.

19 And the last subsection of Chapter 2
20 contains the Rules Concerning No Retroactive
21 Funding of Projects. This section is highlighted
22 in green because it was slightly reworded for
23 clarification.

24 This finishes the summary of Chapter 2
25 and I will conclude my presentation with a short

1 overview of Chapter 3 and the Appendices.

2 Chapter 3, Additional Proposition 39
3 State Resources. As Marsha presented in the
4 Prop. 39 Funding Distribution Overview, Senate
5 Bill 73 also appropriated Proposition 39 funding
6 to other elements included in the Guidelines.
7 Senate Bill 73 transferred \$28 million from the
8 Job Creation Fund to the Energy Conservation
9 Assistance Act Education Subaccount. Of that
10 amount, 90 percent will be used to provide Zero
11 Interest loans to LEAs in Community College
12 Districts. About 10 percent or \$2.8 million will
13 be used by the Bright School Program to provide
14 Technical Assistance Grants to qualifying LEAs
15 and Community College Districts needing support
16 with eligible energy measure identification and
17 planning.

18 One revision I would like to mention is
19 that we've removed the Public Building wording,
20 so there are now no restrictions on building
21 ownership within this program.

22 Next, Senate Bill 73 allocated \$3 million
23 for Fiscal Year 2013-2014 to the California
24 Workforce Investment Board to develop and
25 implement a competitive grant program for

1 eligible workforce training organizations which
2 prepares disadvantaged youth, veterans, and
3 others for employment. The California State
4 Workforce Investment Board will implement an
5 energy efficiency focused Learn to Earn Job and
6 Training and Placement Programs Targeting
7 Disadvantaged Job Seekers.

8 The funding with the California Budget
9 Act of 2013-2014, \$5 million of Proposition 39
10 revenue, was appropriated to the California
11 Conservation Corps to perform Energy Surveys and
12 other conservation-related activities. The
13 California Conservation Corps provides young men
14 and women ages 18 to 25 work on natural resource
15 projects. Through their work, Corps members will
16 gain hands-on training, certified technical
17 education, and work experience designed to
18 increase employment opportunities in green
19 technology fields.

20 The final section of the Guidelines is
21 the Appendix. The 10 Appendix A through J
22 include more detailed information on various
23 sections of the Guidelines; I will not discuss
24 each Appendix, but I'd like to highlight a few.
25 On the screen, you have Appendix B, which lists

1 the Energy Savings Calculators. This Appendix
2 lists 21 energy measures that will have simple
3 online Energy Saving Calculator tools available
4 on the Energy Commission's Prop. 39 webpage.
5 LEAs can easily use these calculators to
6 determine the estimated energy savings needed for
7 cost-effectiveness SIR criteria. These 21 energy
8 measures are common energy efficiency upgrades
9 that many LEAs will most likely consider. There
10 are 10 lighting measures, eight heating
11 ventilation and air-conditioning, also known as
12 HVAC efficiency measures, two plug-load
13 efficiency measures, and an energy savings
14 calculator to estimate the savings of a solar
15 photovoltaic self-generation project.

16 Appendix C is the Prop. 39 funding
17 pathway, a visual that highlights the eight-step
18 process. Appendix D is benchmarking. This
19 provides additional information regarding the
20 energy benchmarking steps, and is very useful
21 information explaining the how-to process of
22 gathering and summarizing energy usage data.
23 Appendix E, F and G all relate to the Savings
24 Investment Ratio Calculation, explaining the
25 equations behind the calculation, the

1 assumptions, and efficient useful life in years
2 for energy measures, and SIR calculation
3 considerations for Power Purchase Agreement Solar
4 Projects.

5 Appendix H discusses Job Creation and
6 Workforce Development and provides information on
7 estimating direct job years created by the Prop.
8 39 funded energy projects.

9 And finally, Appendix I and J are the
10 definitions and acronyms used in the Prop. 39
11 Guideline document. This will aid the reader to
12 better navigate the language of the Guidelines.

13 Because the Prop. 39 program is truly
14 unique and it brings together two different
15 subject areas, energy and education, and just as
16 these last Appendices bridge the language
17 technology between the energy world and the
18 terminology of the education world, the Prop. 39
19 Program Guidelines just presented provide the
20 framework for a new opportunity in California,
21 providing a strong program that will connect job
22 creation through energy and education.

23 Thank you for the opportunity to present
24 the Prop. 39 Guidelines to you this morning.

25 CHAIRMAN WEISENMILLER: Thank you for the

1 thorough presentation. Let's go to public
2 comment. Let's start with the Governor's Office.
3 Cliff.

4 MR. RECHTSCHAFFEN: Thank you very much,
5 Chair Weisenmiller and Commissioners. Cliff
6 Rechtschaffen in Governor Brown's Office.

7 The implementation of Prop. 39 is a very
8 important priority of the Governor's. This
9 represents a unique and really unprecedented
10 opportunity to make major efficiency gains and
11 achieve our Clean Energy and Climate Goals.

12 The Energy Commission was given a huge
13 task by the Legislature to develop ambitious and
14 not always consistent objectives to achieve
15 energy savings, promote jobs, ensure
16 accountability, make things simple and efficient,
17 don't overburden the schools, and by the way, do
18 it right away because we want to spend the money
19 right now. And I think the Commission has
20 succeeded on all fronts and risen to the
21 challenge. The Commission is adopting these
22 Guidelines earlier than anyone had a reasonable
23 right to expect; the Guidelines are very
24 responsive to the legislative direction; and
25 they're very responsive to the input of

1 stakeholders, they're very pragmatic, and
2 Elizabeth went through the many areas in which
3 the Commission has found practical and flexible
4 solutions to the concerns of the local education
5 authorities. The applications have been
6 simplified, there's more detail about how to
7 provide utility usage data, multi-year grants are
8 now possible, planning grants are more flexible,
9 reporting requirements have been streamlined,
10 there's a path forward for leased facilities to
11 participate, provided that the benefits of
12 efficiency projects go to the school districts,
13 the threshold for non-energy benefits has been
14 raised. All in all, these Guidelines represent a
15 very workable pragmatic approach. I think they
16 will go a long way to assuring that the
17 initiative is implemented effectively. Kudos to
18 the Commissioners and the wonderful staff and the
19 other agencies that have worked cooperatively on
20 it, and I urge you to adopt them. Thank you very
21 much.

22 CHAIRMAN WEISENMILLER: Thank you.
23 Thanks for being here today. Let's go to
24 Assemblywoman Skinner's Office, Michael Bedard.

25 MR. BEDARD: Thank you, Mr. Chair and

1 Commissioners, good morning. My name is Michael
2 Bedard, I'm the Policy Director for Assembly
3 Member Nancy Skinner, who is one of the lead
4 negotiators in SB 73. She couldn't be here
5 today, but she wanted me to express her thanks
6 for working with you all and the staff, it's been
7 a real pleasure, been very responsive to comments
8 that she's submitted in October, and she just
9 wanted me to express two additional concerns.

10 One is about LEAs in leased privately-
11 owned facilities. Elizabeth went over the
12 certification process, but my boss is concerned
13 about how the Commission will enforce the
14 certification and how we will be able, for an LEA
15 that doesn't have a separate meter, quantify
16 specifically the savings that should be passed
17 through. So she just wanted to urge the
18 Commissioners to consider more specific
19 requirements for owners in terms of how they
20 transfer the savings to the LEAs.

21 And the second was about the 1.05 SIR. A
22 lot of the Districts and folks that we've talked
23 to have identified that there are LEAs that have
24 been very aggressive about energy savings and
25 doing energy projects over the last few years,

1 and I don't think the intention of Prop. 39 or
2 the enabling legislation, nor the Guidelines, is
3 to punish an entity that has been so aggressive,
4 so there may be a way to consider an exception
5 process, but it should include objective
6 criteria. We have submitted a letter last week
7 that you may have received, I'm not sure if it
8 got here in time for this hearing, but it details
9 these two issues in greater detail.

10 And again, I just wanted to say how much
11 we appreciated working with the Commission from
12 the Leg Unit to the program staff, and working
13 with you guys directly, it's been really --
14 everybody at the Commission has been very
15 engaging and responsive, so we appreciate that.
16 Thank you.

17 CHAIRMAN WEISENMILLER: Thank you for
18 being here. Let's go to Department of Education,
19 Jeannie Oropeza.

20 MS. MOORE: Good morning. I am Cathleen
21 Moore, substituting for Jeannie Oropeza. We're
22 here today on behalf of the Superintendent of
23 Public Instruction, Tom Torlakson. We thank the
24 Commission and its staff for the hard work and
25 focus on this important program that will fund

1 energy projects in every school district, county
2 office, and charter school within California.

3 We believe it is important once the
4 Guidelines are approved to provide all Local
5 Education Agencies with workshops and webinars to
6 ensure high quality applications are received by
7 the Energy Commission, and that funding is
8 appropriated as seamlessly as possible.

9 To that end, we are ready to
10 collaboratively provide such technical assistance
11 with the CEC, especially to the smaller LEAs
12 through workshops in January.

13 Again, we recognize the monumental effort
14 it took by the CEC to get to where we are today
15 with the Draft Guidelines. We believe this
16 program will only be successful if every LEA has
17 access to the program. Every LEA should have the
18 opportunity to generate energy efficiencies that
19 will in turn result in more money for the
20 classroom, as these monies count towards
21 Proposition 98 guarantees. And we hope that the
22 Commission is open to amending the Guidelines to
23 make this happen if necessary in the future.

24 We appreciate the opportunity to work
25 with the CEC, the CPUC, the California

1 Conservation Corps, the California Workforce
2 Investment Board, the Labor Board, and the
3 Division of State Architect to implement the
4 Proposition 39 program as envisioned by the
5 Proposition's authors and the Legislators through
6 Senate Bill 73 and approved by the voters of
7 California. Thank you.

8 CHAIRMAN WEISENMILLER: Thank you. Thank
9 you for being here and for your partnership on
10 this. Let's go to Eric Premack, CSDC.

11 MR. PREMACK: Good morning,
12 Commissioners. Eric Premack with the Charter
13 Schools Development Center. We're a statewide
14 advocacy and support organization for Charter
15 Schools, representing several hundred Charter
16 Schools up and down the state.

17 We're very concerned with the provisions
18 in the proposed Guidelines related to leased
19 facilities. We think that they needlessly
20 discriminate against several hundred Charter
21 Schools. What they do in practice is they say
22 that you need to demonstrate payback within the
23 shorter of either your current lease term, or
24 your current charter term, and the effect of that
25 is, for most charter schools and leased

1 facilities, they limit payback to anywhere from
2 one to four years, usually toward the shorter end
3 of that. And as many of you know, it's extremely
4 difficult to achieve that payback target within
5 that extremely short timeframe.

6 That would have the effect of excluding
7 several hundred charter schools from being able
8 to participate in this program. We think it's a
9 gross overreach of both the letter and intent of
10 the statute, the letter of the law designates
11 Charter Schools as eligible entities, and nothing
12 that we see in the law authorizes the Commission
13 to establish Guidelines to categorically deny a
14 large class of eligible applicants from
15 participating, and the intent of the statute
16 speaks clearly to (quote unquote) "helping the
17 smallest and neediest LEAs with the resources and
18 best practices available." This would have the
19 effect of specifically and categorically
20 targeting some of the smallest and neediest LEAs
21 out there.

22 Because of that, we would urge you to
23 defer action on these Guidelines and direct your
24 staff to work with the Charter School community
25 and others who occupy leased facilities to

1 develop more reasonable Guidelines that are in
2 line with the letter and intent of the law. And
3 we would be happy to participate in those
4 discussions. Thank you.

5 CHAIRMAN WEISENMILLER: Okay. Thank you
6 for being here. Let's go to L.A. unified school
7 district. Eric Bakke.

8 MR. BAKKE: Thank you for letting me be
9 here today. Eric Bakke with the Los Angeles
10 Unified School District. I'd like to echo the
11 comments from the Governor's Office. We're truly
12 appreciative of the response time. We honestly
13 didn't have expectations that it would be
14 completed as quickly as it was, considering the
15 number of agencies that had to work together to
16 put this together, so this is a tremendous effort
17 on your part and we appreciate that.

18 We would also just want to express
19 appreciation for listening to our comments and
20 the questions that we raised, and from everything
21 that we've read, very responsive, and we see a
22 lot of that input into the Guidelines, both the
23 September, the October, the November, and
24 December, and so we appreciate that.

1 While I am here, I do just want to point
2 out a couple of things, I think it's more for
3 clarification, it's probably a very technical
4 comment. One of the areas that was added to the
5 leveraging award funding, adding bond funding, is
6 very critical for us. In reading the Guidelines,
7 it suggests that bond funds are almost treated
8 like a loan, or some sort of debt against the
9 General Fund. I want to clarify that's actually
10 not the case. A local bond is actually treated
11 more like a grant program. In schools there's
12 essentially two sets of books, if I can actually
13 say it that way, you have your General Fund, your
14 Operational Costs, and then you have your School
15 Construction Bond Program, which is actually
16 funded through your local property taxes. So it
17 actually doesn't have a hit against a General
18 Fund, or the Operational. So we look at bond
19 funds should be treated in the same capacity as
20 grant funds. So I just wanted to make that
21 clarification.

22 And the second concern we have is still
23 with the 1.05 SIR. We appreciate that the
24 increase from three percent to five percent, but
25 we still have concerns with respect to Access

1 Compliance Building Code Requirements; it's not
2 unlikely when you deal with a project that's a
3 million dollars, a half a million dollars for an
4 energy project, that you are going to be
5 triggering access compliance that could exceed a
6 million dollars because of the path of travel and
7 other ramps and other requirements that are
8 necessary. So you could see situations where the
9 Code compliance could actually exceed the cost of
10 the project, itself. What that could do is force
11 districts not to choose projects that may be
12 necessary, and it would limit the amount of work
13 that possibly can be done. So we just want to
14 make sure that that is recognized in any future
15 changes or analysis. Thank you very much.

16 CHAIRMAN WEISENMILLER: Thank you.
17 Martha Alvarez, San Diego Unified School
18 District.

19 MS. ALVAREZ: Good morning. Thank you
20 for the opportunity to address you here this
21 morning. I'm here on behalf of the San Diego
22 Unified School District, the second largest
23 school district in California. As was the case,
24 LAUSD goes before us.

1 We are here to commend the CEC staff,
2 Marsha and everyone else has been very helpful in
3 listening to the common term, stakeholders, over
4 the last several months. We understand that you
5 had a very difficult task in developing these
6 guidelines under such tremendous pressure. We
7 appreciate the revisions that have been made to
8 the Guidelines, and we saw additional revisions
9 made this morning, so thank you for including
10 some of our previous comments.

11 I'll just highlight a couple of points
12 that still give us some concerns. As you know,
13 we have not seen the various calculators, the
14 installation per expenditure plan template or any
15 Annual Report templates that we will be required
16 to submit, so this still provides uncertainty and
17 anxiety for Districts because we don't know the
18 level of detail that we'll be required to provide
19 on those templates when we actually submit our
20 plans. We look forward to looking when we're
21 able to submit those plans because currently the
22 way that the Guidelines are drafted, there's, you
23 know, sixty something pages of information, so
24 hopefully that the template will be much more
25 streamlined.

1 I'll highlight a couple of points that we
2 believe that the statute did not -- or it's not
3 required in the statute, but the Guidelines
4 somehow provide more proscriptive requirements
5 than the law in statute. The two examples are
6 the definition of a project of \$250,000 being at
7 a school site, we would urge the CEC to
8 reconsider that, given that the statute does not
9 define a project being at a school site, and just
10 to revise the language or the definition to state
11 the large expenditure plan project is defined as
12 a project whose cost totaled more than \$250,000.
13 Our intent would be to perform the most efficient
14 cost-effective approach to one of the District's
15 highest energy efficiency measures at multiple
16 site projects, or the district-wide level.

17 Another example is a requirement to
18 collect utility data at every single school site.
19 The statute is SB 73, it only states the interest
20 in collecting this data so that the cost and the
21 benefit of funded projects for an entity that
22 receives funds for the jobs creation fund, can
23 document the energy savings achieved through the
24 Proposition 39 funds. However, the statute does
25 not require information for all school sites, but

1 merely states LEAs are required to provide
2 information at the school facility site level.
3 For this reason, we encourage the CEC to
4 reconsider the requirement of doing the utility
5 information for every single school site.

6 Another statement is regarding some of
7 the steps that were mentioned today, you
8 mentioned step 3 and 4 for example, are only
9 recommended approaches; we would encourage the
10 CEC to take out that language and perhaps add it
11 to the handbook that will be accompanying the
12 Guidelines so that it's more clear for school
13 districts what's actually required for us to do
14 versus what is recommended. So it could be in a
15 footnote, you know, making the comment "look at
16 the handbook on page whatever," if it's something
17 that is recommended but not required. Again,
18 this will simplify the process and, instead of an
19 LEA looking at 60 pages of documentation, we have
20 to review, that we know exactly what's going to
21 be expected of us. And I think that concern is
22 -- I represent San Diego Unified, the second
23 largest District, but there's many LEAs in
24 California that are under 5,000 students, and
25 they're only getting maybe, you know, \$100,000 or

1 a little bit more than that, that it's going to
2 require them to hire outside consultant for them
3 to have to be able to comply with this
4 requirement. So we hope you take that into
5 consideration in any future amendments.

6 And then the last comment I'll make is
7 regarding the savings to investment ratio. As
8 you've heard before, we would also encourage the
9 CEC to reconsider how the SIR is calculated and
10 perhaps to make an exception for any school
11 districts or school sites that have already done
12 energy efficiency measures, and that have been
13 ahead of the curve. Thank you for the time to
14 provide these comments.

15 CHAIRMAN WEISENMILLER: Okay, thank you.
16 We'll hear later from the utilities on how they
17 will help people and the implementation. But
18 anyway, let's go to the California Conservation
19 Corps. Martha?

20 MS. DIEPENBROCK: Good morning. I'm
21 Martha Diepenbrock from the California
22 Conservation Corps and we've been participating
23 with the State Working Group in the development
24 of the Guidelines and, at the same time, kind of
25 preparing the CCC for the role that we're

1 playing. And as you know, the CEC's role is to
2 create work opportunities in service to the
3 public and to provide that for young adults who
4 are 18 to 25. So in this case, and really based
5 on the experience and the success of an ARRA
6 funded program, Energy Smart Jobs, the CCC is
7 engaged in developing a program and implementing
8 a program bringing services to LEAs that will
9 have three parts. The first is having Corps
10 members conduct data collection for Energy
11 Surveys that are consistent with the Guidelines;
12 secondly, to assist schools with small retrofits,
13 small projects, and also bringing information
14 about best practices around operations and
15 maintenance, and behavioral change; and then
16 thirdly, while we're on campus to bring the
17 message to young people who are in the schools by
18 the young adults who are in the Corps.

19 So currently we have trained 150 young
20 adults, they finished training last week, and
21 these crews are going to be based in Redding,
22 Sacramento, the Bay Area, the Central Valley, Los
23 Angeles, and San Diego. Those have been trained
24 by U.C. Davis Energy Efficiency Center in
25 partnership with the Sierra Community College.

1 Thus far, we have about 110 LEAs who have applied
2 to have the Corps Members conduct the data
3 collection for the Energy Survey and our first
4 survey will start on December 23rd. So we're
5 really excited to be part of this and to create
6 this opportunity for young adults to introduce
7 them to the field, and to the career pathways
8 that follow. So thank you very much.

9 CHAIRMAN WEISENMILLER: Thank you for
10 being here. Rob, could you flip on the two-
11 minute? Let's go to Tom Kelly, KyotoUSA.

12 MR. KELLY: Commissioners, thank you for
13 the opportunity to address you today. I'd also
14 like to just echo what everyone else has said
15 about the tremendous job the CEC has done in
16 developing these Guidelines. KyotoUSA supports
17 public schools throughout mostly PG&E service
18 district and we provide solar master plans to
19 school districts at no cost.

20 A couple of things I'd like to suggest is
21 that there be an ongoing effort to simplify these
22 Guidelines for LEAs that are basically
23 overwhelmed by many of the requirements that the
24 Guidelines lay out. We're hearing that in Fresno
25 and San Mateo, that you know, they're just

1 stretched pretty thin, so any support they can
2 get in making it easier, would be grateful. The
3 Utilities have also been very supportive, so I
4 see an opportunity for leverage there, in getting
5 their help.

6 The second thing I'd like to say is that
7 I think the benchmarking requirement should
8 actually apply for all schools, regardless of
9 those that are being the beneficiaries of Prop.
10 39 funding. The Districts are already required
11 to provide the energy data, it would be a
12 relatively simple thing for Districts to actually
13 benchmark all their schools using Energy Star's
14 Portfolio Manager and the California Conservation
15 Corps in assisting them with that.

16 And the final thing I'd like to say is
17 that I saw on the Revised Guidelines that Prop.
18 39 funding can be used for Power Purchase
19 Agreements. At this point in time, the cost of
20 renewable energy projects has come down so far
21 that there's no longer any need to develop those
22 projects using investor money. You can actually
23 use CEC low interest loans, GL bonds, Qualified
24 Zone Academy Bonds, and other funds to be able to
25 develop these projects in a way that provides

1 financial benefits to a school district's General
2 Fund from the moment it's developed. So I'd
3 encourage the Energy Commission to pull that
4 particular part of the Revised Guidelines and --
5 and I guess I'll leave it at that point. Thank
6 you very much.

7 CHAIRMAN WEISENMILLER: Okay, thank you.
8 Let's go to the Division of State Architect,
9 Robert Chase.

10 MR. CHASE: Thank you very much, Mr.
11 Chair, members of the Commission. My name is Bob
12 Chase, Deputy State Architect with the Division
13 of the State Architect. First, I'd like to echo
14 Cliff's, and I think everyone else's comments
15 here about what an incredible job the Energy
16 Commission staff has done on this. DSA has been
17 involved since the very beginning and followed
18 through to provide support to the Guidelines.
19 And Cliff was right, I mean, to accomplish this
20 in that time period, we didn't think it was going
21 to be possible, but it's phenomenal.

22 I wanted to, I think, clarify what the
23 Division of the State Architect does, and then I
24 think respond to a concern that the L.A. Unified
25 School District had. We are required by statute

1 and law to review all design and construction of
2 K-12 school buildings and Community Colleges
3 throughout the State of California for three
4 disciplines: structural safety, obviously, fire
5 and life safety, and accessibility. As was
6 mentioned earlier, there are many triggers that
7 will require our review and there are also
8 triggers that will require the accessibility
9 upgrades that was mentioned by L.A. USD.

10 In support of the Guidelines, what we did
11 is we went through and determined certain things
12 that would be exempt from DSA review in statute
13 and regulations, and we have determined --
14 there's a link in the Guidelines through our
15 website, many many -- not all, but many of the
16 energy efficiency improvements that districts
17 will be doing can be exempt from our review, and
18 there are exceptions that we refer to in there in
19 statute. And a lot of those will again not
20 trigger the concerns that L.A. -- well, that any
21 school district would have to need to spend
22 additional money on path of travel upgrades. If
23 it is required, it obviously will need to be
24 done, however, there are some pretty clear
25 exceptions that will allow those to be exempted,

1 and so we would have them working very close with
2 Energy Commission, we are doing outreach to
3 districts already to help them understand where
4 they may be exempt from those things. We again
5 want the money to get out there as quickly as
6 possible and to be used for what it was intended
7 for. So glad to answer any questions if anyone
8 has them.

9 CHAIRMAN WEISENMILLER: Okay, thank you.
10 Thank you for being here. Let's go to David
11 Struck, I think, from KW Engineering. Okay.
12 Then Mike Hodgson, Consol.

13 Mr. HODGSON: Chair Weisenmiller,
14 Commissioners, good morning. Consol is very
15 supportive of improving energy efficiency in
16 schools, being very active auditors of ASHRAE
17 Level 1 and 2 Audits throughout the Central
18 Valley. We also want to compliment staff on
19 producing clear process and guidelines that we
20 presume will be adopted later today.

21 However, here today I'm representing the
22 International Window Film on a very minor
23 technical issue and we submitted comments into
24 the Docket, which we also handed out because we
25 were so late to those comments. But IWFA

1 represents 90 percent of the window film
2 installed in North America, so they're the trade
3 association that basically sets the standards for
4 window films, their products, and their
5 warranties. IWFA very strongly supports the
6 adoption of Prop. 39 and the Guidelines. There's
7 one edit that we suggest in Appendix F, it
8 reflects the energy useful measures. Window
9 films have made significant technology
10 improvements in the last 15 years, and those
11 improvements include ratings now by NFRC for
12 visible light transmittance, solar heat gain, as
13 well as U factor. We also as an industry have
14 adopted 10-year minimum warranties for most of
15 the films that are being installed, some
16 warranties on residential go to lifetime. In
17 fact, because of this fact, the Energy Commission
18 in their 2013 Standards adopted window film to be
19 NFRC labeled and requiring, when installed, a
20 minimum 10-year warranty. The edit IWFA suggests
21 is in Appendix F, to list window film separately
22 with a 15-year effective useful life. The source
23 for Appendix F is the Dear Database. The Dear
24 Database was listed as 2008 and 2011, but you dig
25 into it and they're referencing studies from the

1 late '90s and the early 2000's for window film.
2 We think it's more appropriate to look at the
3 national view of how this product is being used.
4 In Oak Ridge, which supports Weatherization
5 Program, has a program called NEAT, or the
6 National Energy Audit Tool, we've supplied some
7 information behind in the presentation, and it
8 recognizes in the latest version of NEAT, which
9 is Version 8, that window films be assigned a 15-
10 year useful life, which is their opinion of their
11 length.

12 What we would request to do basically,
13 then, is in Appendix F to list window film as a
14 separate line item away from shades, give it a
15 15-year life instead of 10, which is current in
16 Appendix F. We would suggest also to be
17 consistent with the CEC Guidelines that you put a
18 footnote in there that says that it should also
19 be NFRC certified films, and that they should
20 carry a minimum 10-year warranty.

21 In the handout and the work submitted to
22 the docket, there is a screenshot of a --
23 actually not a screenshot, but a slide that we
24 have, that we presented to you. It gives you
25 kind of the impact on time dependent valuation,

1 which is the way the Energy Commission looks at
2 energy, and it shows that window film outperforms
3 other insulation, mechanical improvements, as
4 well as air sealing, which would be typical
5 improvements for schools.

6 We also included a screen shot of NEAT,
7 NEAT is the software that is used by the
8 Department of Energy for weatherization, the most
9 current version is the Family of Eight, which is
10 called Version 8.9.0.5, apologize for the -- but
11 we want to be technical and current -- the screen
12 shot there shows you that the window film useful
13 life is 15 years, and then we attach to the
14 handout the technical manual that supports the
15 data, the table of contents, and the actual pages
16 referenced on describing how lives are determined
17 in NEAT. I'm happy to answer any questions.

18 CHAIRMAN WEISENMILLER: Okay. Thank you.
19 Let's go to Erik Emblem, Joint Committee on
20 Energy and Environmental Policy.

21 MR. EMBLEM: Good morning, Commissioners.
22 Thank you for letting me speak. I'm Erik Emblem.
23 I'm here representing the Joint Committee on
24 Energy and Environmental Policy and the Western
25 States Council of the Sheet metal, Air Rail, and

1 Transportation Workers. We work with over 600
2 HVAC contractors in the State of California, and
3 represent 25,000 workers. We have 15 training
4 facilities affiliated with apprenticeship
5 training and journeyman upgrade, and we have
6 several -- I feel like it says stakeholder in
7 several areas, but, number one, our hats off to
8 you, you've done a great job, I know this has
9 been a lot of hard work in a short amount of
10 time, with several different agencies, and the
11 work is good.

12 I think everybody will recognize that the
13 need is great and the resources are few. We have
14 a big issue with schools and what goes on in
15 them. I think that if we focus on schools, I
16 always like to focus on why they're there, and
17 that's the learning outcomes, and the facility
18 that we provide for children and for students in
19 schools, you know, needs first to be health and
20 safety, and then the learning outcomes. So I
21 applaud you in raising to 1.05 of the SIR for
22 other related energy benefits. I do agree that
23 that may be needed to look at in the future for
24 some other reasons, but also for health and
25 safety.

1 I also serve as an Advisor to the Green
2 Collar Jobs Council, and a big component of this
3 is the creation of jobs, and of which I'm near
4 and dear to, and endorse, and want to help
5 facilitate that these jobs that we create through
6 Prop. 39 are real jobs, jobs that are high road,
7 that lead people to careers and career paths, and
8 with that I pledge to work with you and to work
9 with people like the California Conservation
10 Corps for creating pathways for people going
11 through their programs into apprenticeship and
12 careers, and also to work with you through my
13 position on the Western HVAC Performance
14 Alliance, which I'm the Workforce Education and
15 Training Chair. Again, thank you, you've done a
16 great job, and if there's anything we can do
17 collectively to work with you, we're here. Thank
18 you.

19 CHAIRMAN WEISENMILLER: Thank you. Joey
20 Barr from PG&E.

21 MR. BARR: Hi, Commissioners, staff,
22 thank you very much for the time. I appreciate
23 the presentation, I know you've done a lot of
24 work, and we've appreciated working with you. My
25 name is Joey Barr from Pacific Gas & Electric

1 Company. We have worked with the CEC and other
2 stakeholders to help support our school's
3 customers. I lead our Proposition 39 efforts.
4 So we're absolutely supportive of these
5 Guidelines, we've provided comments throughout,
6 and I think Liz hit the nail on the head, that
7 this was an equilibrium and you're not going to
8 satisfy every party, so we appreciate that.

9 PG&E has a long history of supporting our
10 schools, both on energy efficiency and on clean
11 energy installations, and we support all of the
12 guidelines today. We do have a few concerns and
13 we shared them with staff and with Commissioners.

14 The two primary concerns, and Tom already
15 alluded to this earlier, we are concerned with
16 the use of Prop. 39 funds to pay for solar PPAs.
17 We absolutely think they should be used for clean
18 energy installations. But to use them for PPAs
19 would short circuit the schools, actual ownership
20 of the solar panels, and any benefits that the
21 schools might derive from that ownership. So we
22 encourage you to remove that language allowing
23 Prop. 39 funds to be used for PPAs.

24 Our second biggest concern with the
25 Guidelines is that behavioral measures in

1 projects are not included. Encouraging these
2 types of projects often results in improved
3 operations and maintenance, feedback on energy
4 usage and cost, normative comparisons, and
5 education and prompts for energy conserving
6 practices, particularly in the school segment, we
7 think measurable energy savings for behavioral
8 projects should be allowed and we look forward to
9 continuing our collaboration with you to support
10 our schools' customers. I think the most
11 important thing is that we create consistent
12 comprehensive messaging and support for our
13 schools' customers. Thank you very much for your
14 time.

15 CHAIRMAN WEISENMILLER: Thank you.
16 Thanks for being here. Jeff Vaca, California
17 Association of School Business Officials.

18 MR. VACA: Thank you, Mr. Chairman,
19 members of the Commission, Jeff Vaca representing
20 the Association of School Business Officials. I
21 would like to join the previous speakers in
22 commending CEC staff for the openness of this
23 process and their willingness to consider our
24 input and the input of LEAs at all stages of the
25 process.

1 Our goal throughout this process,
2 recognizing that most of the school districts in
3 the state are smaller school districts that don't
4 have the experience of an L.A. USD, or a San
5 Diego Unified with these types of energy
6 projects, and ensuring that the guidelines, while
7 remaining consistent with the intent of the
8 initiative and with the implementing statutes,
9 are as simple and straightforward as possible.

10 We greatly appreciate the progress that
11 has been made in the iterations of the Guidelines
12 and many of the changes that have been
13 implemented, as those have evolved have resolved
14 some of our concerns.

15 With respect to the eight simple steps,
16 we continue to believe that those eight simple
17 steps could be further condensed into perhaps
18 five or six even simpler steps by taking the
19 items within those steps that are recommendations
20 as opposed to requirements, and placing them in
21 the self-certification form.

22 And I would also echo the comments made
23 by Mr. Bedard from Assembly Member Skinner's
24 Office with respect to the SIR and perhaps the
25 consideration of a process that would allow a

1 district, to use one example, San Diego Unified,
2 that really is well ahead of the curve in terms
3 of implementing many of these types of projects
4 on their campuses and school sites, an exception
5 process provided that they were able to meet
6 specified criteria. Thank you very much.

7 CHAIRMAN WEISENMILLER: Thank you. Rick
8 Brown.

9 MR. BROWN: Thank you, Mr. Chair. I'm
10 Rick Brown, Others Present (* Via WebEx/Phone)
11 , we're an Independent Energy Advisory firm
12 working with over 50 School Districts and
13 Municipalities around the state. I'm here to
14 expand on the discussion of providing an
15 exception process to the current SIR requirement.

16 The exception needs to be created in
17 order to protect deserving schools who are
18 outliers on the energy efficiency and savings
19 curves. For example, as you know, even before
20 Prop. 39, many schools and districts charged
21 ahead with implementation of energy efficiency
22 and renewable energy projects. These early
23 adopters were the forefront of important projects
24 that required both foresight and courage. This
25 does not mean that the work is done for these

1 schools, but having already heaving invested in
2 energy projects, Prop. 39 funding will be vital
3 for these schools to continue their progress
4 towards their long term energy goals. Yet under
5 the current Guidelines, these schools may be left
6 out in the cold. Why? Because those early
7 investment led to greatly improved energy
8 intensity scores that then lead to lower energy
9 cost savings and SIRs for future projects. It's
10 unfair to punish those schools for their past
11 successes, particularly successes that Prop. 39
12 intends to support and promote.

13 Similarly, we work with a number of
14 Districts who are at the very low end of the
15 energy savings curve because they are located in
16 Public Utility Districts where tariffs are
17 significantly below the statewide norm. And
18 because of these low rates, it's highly unlikely
19 that there's any single project or mix of
20 projects that can bring about the cost savings
21 needed to reach the current SIR threshold. These
22 districts are desperately in need of upgrades
23 that will save countless kilowatt hours of
24 energy, yet their projects could be shelved
25 because, in essence, they're wasting cheap

1 energy. It's contrary to the intent and spirit
2 of Prop. 39 to deny support for schools under
3 these circumstances.

4 We think there's a simple solution. The
5 CEC can and should allow for a narrow exception
6 to the current SIR requirement that accommodates
7 these outliers. For example, when a submitted
8 project fails to reach the 1.05 threshold, the
9 CEC can examine the school's energy IQ or other
10 benchmarking score and its rate tariff to see if
11 the SIR is artificially low for either one or
12 both of these reasons. This would maintain -

13 CHAIRMAN WEISENMILLER: Could you wrap it
14 up now?

15 MR. BROWN: -- yes -- maintain the Prop.
16 39 standards and at the same time protect school
17 districts that are trying to do the right thing
18 for their students by pursuing these projects.
19 Thank you very much.

20 CHAIRMAN WEISENMILLER: Okay, thank you.
21 Thanks for being here. Bill Orr.

22 MR. ORR: Thank you, Chair and
23 Commissioners. I'm Bill Orr, the Executive
24 Director of the Collaborative for High
25 Performance Schools, or CHPS. I'm going to take

1 a slightly different tact and focus on the non-
2 energy components, the non-energy benefits.
3 First of all, I'd like to applaud the additional
4 flexibility and emphasis on Energy Managers, non-
5 energy benefits, and the use of the training
6 funds under the revised Guidelines. With that
7 said, we do have a couple of specific comments or
8 clarifications. The first one is in terms of
9 what the Energy Managers can do as eligible
10 activities. We'd like to suggest that not only
11 should they be able to review non-energy
12 benefits, but actually conduct the analysis
13 themselves.

14 We also believe that, on page 17, that
15 the non-energy benefits should be included as a
16 factor, Factor 8 should be included in
17 prioritizing the low performers, while
18 maintaining the SIR. There are a number of
19 projects where, on the surface of things, you may
20 be able to accomplish energy efficiency, but it
21 doesn't really tell the whole story in terms of
22 comfort, in terms of lighting, in terms of
23 acoustics, and so forth.

24 The other thing is in Appendix 8, we
25 would also like to clarify that consideration of

1 the non-energy benefits are allowable planning
2 expenditures, it does say in the Guidelines that
3 they're allowable project expenditures, but we
4 just would like to clarify that that includes
5 that they're eligible planning expenditures.

6 On page 12 in Appendix E, we have some
7 questions just again for clarity, the difference
8 between matching funds versus supplemental or
9 leveraged funds. It appears in some places that
10 if you get other resources that they're actually
11 counted toward project costs, so I'd like to
12 clarify that. And in closing, I would like to
13 emphasize that CHPS has suggested previously that
14 we can be a resource to help school districts
15 make informed decisions working with the
16 California Lighting Technology Center and others
17 to develop an online Prop. 39 Guide that we'd
18 like to see referenced in the implementation
19 handbook.

20 CHAIRMAN WEISENMILLER: Okay, thank you
21 very much for being here. We've received
22 additional copies of the Revised Guidelines, so
23 anyone who wants to raise their hand, the Public
24 Advisor will pass those out. Let's go to Anthony
25 Andreoni.

1 MR. ANDREONI: Good morning,
2 Commissioners. Thank you for the opportunity to
3 speak today. I am Anthony Andreoni. I am the
4 Director of Regulatory Affairs for California
5 Municipal Utilities Association, or CMUA. And I
6 just want to echo a few of the comments that were
7 already addressed. First off, we are very
8 supportive of Prop. 39. Many of our members have
9 already been working with many of the school
10 districts and LEAs. We have a long time
11 supporting energy efficiency and reducing carbon.
12 Many of our members continue on that front, on a
13 number of rules and efforts. Our members are
14 also the energy experts and, again, stand ready
15 to help assist as needed.

16 We do have a few concerns regarding I
17 think what was provided by San Diego Unified
18 School District, which really focuses on the
19 amount of data that may be provided to the Energy
20 Commission. This data may be very overwhelming
21 and we would like to work further with the Energy
22 Commission in trying to reduce some of those
23 demands and the amount of data.

24 We also feel that some of the cost-
25 effectiveness that was just mentioned, going from

1 a three to a five percent may be challenging and
2 limiting. We also would like to spend a little
3 more time looking at the savings calculator.
4 Knowing that the most current version was
5 provided today, maybe a little more time going
6 over the document and providing a little bit more
7 input on some of the changes that were made today
8 would be great.

9 We do also feel that some of the behavior
10 changes may not be adequately pinpointed or
11 addressed in some of the data that was provided.
12 So again, we are here ready to help and
13 appreciate the efforts that CEC has made and
14 thank you for your time.

15 CHAIRMAN WEISENMILLER: Thank you for
16 being here. Let's go to Anna Ferrara of the Anna
17 Ferrara of the School Energy Coalition.

18 MS. FERRARA: Good morning Chair and
19 Members. I am Anna Ferrara with the School
20 Energy Coalition. We're made up of School
21 Districts, County Offices of Education, and
22 Community Colleges, and consultants who are
23 focused on school energy projects statewide.

24 As you can see, they're coming from two
25 different perspectives, as Ms. Shirakh mentioned

1 earlier; School Districts have a multi-agency,
2 varied approval process for school construction.
3 Energy, as you all know, multi-agencied acronyms,
4 all of that, we have it all with school
5 construction, as well.

6 I think we appreciate, again, the
7 timeline that you've used because we are working
8 around students and want to make sure that those
9 projects go in in the summer months and when
10 students are out of class, so that's very
11 important and we appreciate that. We also
12 appreciate the changes that have been made, that
13 have made the Guidelines easier to read for
14 schools, and also a five-year multi-plan that all
15 schools may take advantage of and, of course,
16 changing it from quarterly reporting to annual,
17 which is what schools are more used to doing.

18 We would be very interested going forward
19 in seeing how those Guidelines get changed. We
20 are very glad that they are Guidelines and not
21 Regulations, and so we know that they may be
22 changed on a fairly regular basis, but we would
23 also like to know what might trigger that and how
24 often that might be up for review because that's
25 going to be important as we move forward. I

1 think there's a difference between efficiencies
2 and the perspectives that schools and energy
3 folks look at, energy efficiencies as opposed to
4 cost-efficiencies, which is what schools are
5 looking at in order to lower their utility bills
6 and bring those savings to school students'
7 priorities. And so that is going to be very
8 important going forward and we hope that there
9 might be more opportunities to look at the
10 Guidelines going forward and make those changes
11 as needed. And again, we appreciate all that you
12 have done so far. Thank you.

13 CHAIRMAN WEISENMILLER: Thank you. Thank
14 you for being here. Let's go to Allison Bially,
15 Retro Financing [sic].

16 MS. BIALLY: Good morning, Commissioners.
17 Congratulations on this great achievement. My
18 name is Allison Bially and I serve as the West
19 Coast Director for Retroficiency -- sorry, I
20 wrote it messy. Retroficiency provides software
21 solutions to help drive deeper commercial energy
22 efficiency savings, and less time in class.

23 I'm really here just to express our
24 support for the modifications that were made to
25 the validation methodology for data analytics.

1 These new Guidelines create a viable path for
2 qualified providers, while maintaining necessary
3 rigor. The resulting market competition will
4 provide the LEAs with strong options for high
5 quality data analytics services to help them
6 understand the efficiency opportunities in their
7 buildings and to assist in their planning and
8 prioritizing process. So once again, thank you,
9 thank you for letting me speak, and thank you for
10 the great work on the Guidelines.

11 CHAIRMAN WEISENMILLER: Thank you.

12 Thanks for being here. Tamara with Sempra.

13 MS. RASBERRY: Thank you, Commissioners.

14 Tamara Rasberry representing the Sempra Energy
15 Utilities, SoCal Gas, and San Diego Electric.
16 And we just want to say that we look forward to
17 working with our public education customers and
18 our partners in the energy efficiency industry on
19 implementing Prop. 39 as intended by the voters
20 of California.

21 The Southern California Gas Company and
22 San Diego Gas & Electric have a team of customer
23 account representatives, energy efficiency
24 experts, and our 30-year infrastructure of
25 delivering service at the disposal of our

1 customers to make sure Prop. 39 funds are spent
2 wisely and effectively. We would like to thank
3 the staff of the Energy Commission, the CPUC, and
4 the Department of Education for guiding this
5 thoughtful process in a short amount of time, and
6 we do support the Guidelines as proposed today.
7 Thank you.

8 CHAIRMAN WEISENMILLER: Thank you very
9 much for being here. Patrick Keal.

10 MR. KEAL: Patrick Keal with the Big Ass
11 Fans. Thank you all for having us today.
12 Questions were addressed by the very thorough
13 presentation and we applaud the CEC on all the
14 hard work you've done thus far. We just wanted
15 to come and express our enthusiasm and our goal
16 to continue to work with the school system here
17 as we've done under the Guidelines of the
18 Collaboration for High Performance Schools and
19 Programs. We're looking forward to working with
20 the LEAs to increase energy efficiency and using
21 the ASHRAE Standard 55 regarding thermal comfort
22 as our direction. Thank you.

23 CHAIRMAN WEISENMILLER: Thank you.
24 Thanks for being here. Christopher Ruch.

1 MR. RUCH: Hello. Thank you for the
2 opportunity to be here. My name is Chris Ruch.
3 I'm an HVAC Technician and I represent NOAA
4 organization or company, just want to give some
5 field input from this.

6 First off, the more I look into the CEC,
7 the more impressed I am. You have a lot to deal
8 with and you really do put out some good stuff
9 and really come at it from a lot of angles, and I
10 appreciate that. From my point of view, what I
11 want to cover from the field and what I see is
12 covering the idea that energy efficiency
13 retrofits for public schools include funding to
14 related health improvements and repairs that
15 contribute to reduced operating costs and
16 approved health care and safety conditions.

17 I have the unique experience of teaching
18 in the classrooms, and then switching careers and
19 working on the systems on the roofs. From that,
20 I've seen a lot of systems that don't function
21 property. And my big interest here is looking at
22 existing capital and somehow including this into
23 it, and that you'd look at existing capital and
24 try and make any improvements or repairs that can
25 be done on what's already there. My specific

1 concern is indoor environmental quality. While I
2 focus on ventilation, I really would like to see
3 an improvement on sound, lighting and air quality
4 of what's there. This would improve not only the
5 health for the buildings, but also the energy
6 efficiency of the equipment that's already
7 installed.

8 Possibly, part of sequencing or included
9 along with an Energy Survey, there could be a
10 baseline assessment of IQ as part of any large
11 energy projects. I realize this might not be
12 possible for small projects, but for larger
13 projects it could work, and at a baseline it
14 would just identify actual measurements of
15 ventilation, lighting and review of acoustical
16 issues to make sure that they meet baseline IQ
17 Standards for the state.

18 This would have obvious benefits,
19 including benefits that many times aren't seen,
20 such as the economic benefits of improved
21 attendance rates, improved health, and improved
22 academic performance. Once again, we greatly
23 appreciate the time and no way am I saying
24 anything against this, this was a great piece of

1 work there, and I wish to go forward and maybe
2 look at some of this in the future. Thank you.

3 CHAIRMAN WEISENMILLER: Thanks. Thanks
4 for being here. Manuel Alvarez, Edison.

5 MR. ALVAREZ: Manuel Alvarez, Southern
6 California Edison. I'm here this morning to ask
7 for your support and support these Guidelines. I
8 think the staff did a major effort and, you know,
9 we look at our efforts that we've been working
10 with the staff, and the comments that we've made
11 over the last few months and support that. And
12 we commit to you here to kind of work with all
13 our touch points on the School Districts, and
14 with our data needs and your data needs, and try
15 to get those coordinated the best we can. So I
16 ask for your support. Thank you.

17 CHAIRMAN WEISENMILLER: Thank you. I
18 believe everyone in the room that has given a
19 blue card in has spoken. So we'll transition to
20 the phones, and if there's anyone else -- please
21 come forward.

22 MS. BAUTISTA: Hi. Good afternoon,
23 Commissioners. My name is Nidia Bautista, I'm
24 here representing Senator Kevin De Leon, who, as
25 many of you know, is Co-Chair of Proposition 39,

1 the California Clean Energy and Jobs Act when it
2 was passed by the voters just over a year ago.

3 And we really wanted to be here to
4 commend the CEC and the staff. We know you've
5 been under a very short timeline, but what we've
6 seen and witnessed as engagement from your staff,
7 from your Commissioners, really being very
8 thoughtful and intentional about how to best
9 implement this program, and it's just very
10 reassuring for the Senator to see that,
11 considering his very strong interest from the
12 very beginning to ensure that the Energy
13 Commission had a strong role in implementing this
14 program.

15 You know, this is a program that was
16 voted on by the voters with the expectations that
17 we will have clear measurements for jobs and
18 energy savings and, while the Senator as well as
19 the Governor and the Assembly are very clear
20 about the fact that K-12 schools, in particular,
21 are very good recipients for these funds, we do
22 want to make clear that this is at the end of the
23 day something we have to return to the voters to
24 show exactly how well this money has been
25 invested and that we are improving our school

1 sites, but that we all are providing those energy
2 savings for the long run.

3 So to that end, I know that there are
4 some specific concerns around even some of the
5 crafting on the legislative language with regards
6 to, for example, the requirement on some of the
7 larger school districts to ensure that they're
8 investing at least 50 percent on projects that
9 are over \$250,000. I believe the intent there
10 had been very clear from the Legislature about
11 wanting to ensure we're establishing very
12 meaningful retrofits, but this was not just about
13 tackling our deferred maintenance lists, but
14 really ensuring that we're meeting the intent of
15 the proposition, that's it.

16 I know that there are other concerns
17 related to data, for example, and I just want to
18 underscore that, from my boss, Senator Kevin De
19 Leon, this is a five-year program, this is a
20 tremendous opportunity for the State of
21 California, it's \$2.5 billion, a huge investment,
22 nothing like it across the nation, but frankly
23 the demand out there we know that this is still
24 just a small piece of that. And so if we want to
25 go back to the voters in the future, we're going

1 to have to really make sure that we're being very
2 responsible with these funds.

3 So to that end, again, we want to thank
4 and applaud the work of the Energy Commission,
5 and particularly I want to thank Marsha and her
6 staff who have been really great about engaging
7 us. And we know that this may not be perfect,
8 you know, this first year out, there may even be
9 changes coming up in the budget cycle, but our
10 offices are also open to continue to engage with
11 you, along with our School Districts and other
12 entities that are interested in this funding.
13 Thank you very much.

14 CHAIRMAN WEISENMILLER: Well, thank you.
15 Thank you for being here and certainly thank the
16 Senator for his inspiration in this area. So if
17 there's no one else in the room, let's go to the
18 phone. Solar City?

19 MR. CHIA: Hi. This is Dan Chia with
20 SolarCity. Can everyone hear me?

21 CHAIRMAN WEISENMILLER: Yes.

22 MR. CHIA: Okay, great. Well, certainly
23 want to echo comments that were stated previously
24 about the hard work and dedication of staff and
25 the Lead Commissioner, the effort was certainly a

1 model of regulatory efficiency and stakeholder
2 engagement that I think other agencies should
3 take notice of, so thank you for that.

4 We also speak on behalf of SEIA, the
5 Solar Energy Industries Association. We support
6 the Final Draft Guidelines and extend our
7 gratitude to Commissioner McAllister and staff
8 for recognizing the role of that clean energy can
9 play in meeting our climate and economic
10 development goals, while allowing schools to
11 direct energy cost savings to students and more
12 mission critical needs.

13 We fully acknowledge and support that
14 energy efficiency ranks higher than distributed
15 generation on the State's loading order, and we
16 commit to working with schools to achieve EE
17 savings in order to optimize the design of
18 distributed generation. We are especially
19 appreciative of the fact that the Guidelines now
20 remove any ambiguity of the eligibility of Power
21 Purchase Agreements for Prop. 39 funding. We
22 believe this ensures that schools have the
23 maximum flexibility when considering clean
24 generation options and that's consistent with the
25 goals of Prop. 39 and S.B. 73.

1 With respect to leveraging of other
2 funds, PPAs enable schools to leverage tax and
3 other benefits not otherwise available to them,
4 and have the advantages of guaranteed energy
5 production and savings and maintenance for the
6 life of the PPA, which is generally 20 years. We
7 believe this essentially removes the technology
8 risk of generation projects.

9 So with that, thank you very much for
10 your support and dedication.

11 CHAIRMAN WEISENMILLER: Thank you very
12 much for your participation. Is Valerie Winn on
13 the line? Okay, so I think at this point we've
14 gotten public comment, so we're going to
15 transition over to a conversation among the
16 Commissioners. One more, please.

17 MS. GORDON: Hi, Commissioners. Kate
18 Gordon from Next Generation. After hearing from
19 Nancy Skinner's Office and Kevin De Leon's
20 Office, I feel it only right that someone
21 representing Tom Steyer should stand up and say
22 thank you to the Commission and the staff.
23 Marsha, you guys have done just a phenomenal job
24 with these Guidelines. It's been, I know, an
25 incredible process dealing with stakeholder

1 comments, all the different complexities, but we
2 are just thrilled with how you've balanced those
3 interests and tried to make this work for all
4 stakeholders.

5 Tom has been particularly interested, as
6 folks know, from the beginning in the data
7 collection piece of this. We were ourselves
8 surprised coming into this process by the lack of
9 an inventory of school buildings in the state,
10 and we know that that made it very hard to do the
11 legislation, to do the Guidelines, the idea of
12 being able to create something like that through
13 this system has been a huge interest of ours.

14 Also, the idea that we can leverage these
15 funds with some private investments in the ECAA
16 Program and BrightSchools. So thank you all for
17 everything you've done, the heroic work, and
18 we're thrilled to see what started as a
19 Proposition that went through the legislative
20 process turn into such an amazing kind of moment
21 for really getting this money out the door and
22 improving these schools. Thank you, all.

23 CHAIRMAN WEISENMILLER: Thank you.
24 Obviously, we think that thinks are just
25 beginning. One of the things I've had over the

1 years from the Commission is, whenever we adopt
2 like Renewable Guidelines, or anything that's
3 going to clear my mind is we were going to
4 revisit those later and go through the next round
5 of Amendments, so that's been an issue here. I
6 thought it would be good if the Chief Counsel's
7 Office or Staff Attorney would want to address
8 this sort of amendment process so people are
9 clear this is not the final work, by any means.

10 MS. HOLMES: Thank you. I would be happy
11 to. Caryn Holmes with the Chief Counsel's
12 Office. The legislation does provide
13 specifically a process for doing amendments to
14 the Guidelines. As people are aware, there was a
15 30-day Notice that was provided for this hearing.
16 In the future, should we be considering
17 amendments for changes and revisions, there's a
18 15-day notice period.

19 We will be working with stakeholders,
20 we'll be collecting comments, particularly as we
21 start to receive the Expenditure Plans at the
22 beginning of next year, we'll be keeping tabs of
23 what's going on. People, I'm sure, will be
24 telling us what they think is going on. And
25 we'll be working with the assigned Lead

1 Commissioner to determine whether or not we need
2 to make changes quickly, whether we need to wait
3 and see whether or not things are shaking out
4 fairly well, and we could take more time. It
5 will really depend on what happens when we get
6 those expenditure plans in. But the law does
7 allow us to make changes relatively quickly
8 should that be needed. So I would encourage
9 everybody, as we begin the expenditure plan
10 process, if there's something that's working
11 particularly well, or isn't working very well,
12 please let us know. We're going to be working
13 with the Lead Commissioner to make determinations
14 as to whether or not we need to make further
15 revisions.

16 CHAIRMAN WEISENMILLER: Thank you. The
17 next question is, does staff have any responses
18 to what we've heard? Either legal or technical?

19 MR. ASHUCKIAN: This is Dave Ashuckian,
20 Deputy Director for the Efficiency Division. I
21 would just like to add that we heard a lot of
22 questions, we've continuously been getting
23 comments about clarifications necessary on the
24 Guidelines, and I wanted to just remind both the
25 Commission and also stakeholders that we'll be

1 publishing a handbook on how to actually apply
2 and going through the actual forms for the
3 program. We believe that that handbook will be
4 the opportunity to provide a lot of those
5 clarifications that the Guidebook doesn't
6 necessarily have right now, and so we anticipate
7 that Guidebook coming out within the next few
8 weeks and, again, that will be a more dynamic
9 document that we can provide clarification on
10 many of these issues that there is still some
11 question on.

12 CHAIRMAN WEISENMILLER: Okay, then before
13 I transition to our Lead Commissioner here, I was
14 just going to thank the Utilities for their
15 participation here, and certainly a variety of
16 other organizations who certainly indicated their
17 willingness and ability to help the various
18 school districts work through this process. And
19 I think, again, it's going to take a village to
20 make sure this moves smoothly, and we appreciate
21 their partnership with us.

22 COMMISSIONER MCALLISTER: All right,
23 thank you all for coming. I'm Andrew McAllister,
24 the Lead Commissioner on Energy Efficiency, which
25 includes Prop. 39. And I want to really thank

1 you all for coming here today and just for a
2 little bit of historical context, I have some
3 reasonably substantive comments here, but I think
4 what we're really looking at here, there's a vibe
5 in the room here that we're doing something kind
6 of historic, and I think that's actually true.
7 You know, our schools are our future, and so it
8 goes beyond energy, that's what we do here in the
9 Commission, but I think there's just a sense that
10 this is a long term -- this is a piece of a long
11 term puzzle to help our schools do better. And
12 I'm really gratified to be able to be involved in
13 a core part of it, a significant amount of
14 resources that are going to do some wonderful
15 things across the state.

16 Obviously, there are lots of other
17 advocates in the school space, the Governor being
18 a primary one, that are looking at ways that we
19 can really make things better for the long term
20 and sustainably shore up our education system,
21 and our kids are our future, so we really feel
22 that, I think, throughout this process, certainly
23 for me and I think for staff, as well, and all
24 the stakeholders that have been involved from
25 what I can tell, there is a sense that this is

1 fundamentally important work for our state's
2 future.

3 So I think with that general context,
4 that's imbued this process with a bit of, I
5 think, gravitas, and the respect for all the
6 parties, and I think that has just been really
7 helpful, it's played out in what we're
8 considering today.

9 So I want to thank a few people in
10 particular here, I want to thank Cliff
11 Rechtschaffen for being here today from the
12 Governor's Office, Michael Bedard from
13 Assemblyman Skinner's Office, Nidia, who I think
14 had to leave, but from Senator De Leon's Office,
15 they have really been key stakeholders in this
16 and sort of helping us navigate the waters here.
17 You know, I think we've heard we've maybe, you
18 know, split a few babies along the way, to use a
19 very crude term, but it's always been with our
20 kids in mind, and so -- take that as you will.

21 And just a lot of very valid voices in
22 the room that don't always jibe. And so those
23 are the hard choices that we kind of have to make
24 to figure out what is the best balance, as I

1 think several people have said, including Marsha
2 and Liz.

3 I also want to thank Dan Bush from the
4 PUC -- actually, did he end up being on the
5 phone? I think maybe not, yeah, we didn't hear
6 from the PUC, but they've been a very staunch
7 ally in this, as well. And also Bob Chase from
8 the Department of State Architect, and Jeannie
9 Oropeza from CDE or her surrogate there that came
10 today, I think the Department of Ed has been a
11 key stakeholder in this, as well, and will
12 continue to be going forward.

13 So as we've heard, and as all of you can
14 imagine, the development of the Prop. 39
15 Guidelines has required major amounts of
16 collaboration with various agencies and a wide
17 variety of stakeholders, and we really appreciate
18 all your hard work and dedication to ensure its
19 success in its development, and now going forward
20 for its implementation.

21 You know, as we've tried to highlight in
22 the Guidelines, statute has a lot of requirements
23 in it and we have to take those literally and
24 seriously and, at the same time, try to figure
25 out the ways to do it that work with the schools

1 themselves and the marketplace for energy, and
2 upgrades that surround them, you know,
3 understanding that context and applying it is not
4 always so simple, and I think staff has just done
5 a tremendous job and they've been able to distill
6 the issues, bring those to the Commission, bring
7 those to me, and now today to the Commission, to
8 really ensure that each decision is made in a
9 very contemplative way, and an intentional way.
10 And I've really appreciated that, it's been
11 vital.

12 I want to recognize the hard work and
13 commitment of all of you, I mean, I know that we
14 got hundreds and hundreds of comments, I think,
15 about 700 or so, more than that, comments. So
16 that represents -- I mean, to me, that's
17 phenomenal that a public process could generate
18 that much thoughtfulness and creativity and just
19 commitment of time and resources from across the
20 state to come into this process. And then
21 obviously it's a lot of commitment for our staff
22 to actually read through those and distill them,
23 and figure out how to organize them and respond
24 to them, and so it's really I think that
25 transparency and process has been terrific. And

1 it's really fundamental to getting a product
2 that's going to work.

3 Marsha Smith, I have to acknowledge all
4 your hard work, you've really done a tremendous
5 job, as well as Liz and the rest of the team.
6 You know, it's been a lot of hard work, a lot of
7 long hours, and the emails that go around during
8 the weekends and the nights and the early
9 mornings, it's pretty phenomenal, you know, you
10 really get a sense of how important this is for
11 people.

12 And I also want to thank my Adviser,
13 Hazel Miranda, on this, she has been my sort of
14 network into the system to make sure that we're
15 paying attention to the right things and help
16 keep across the board in the Legislature and the
17 various stakeholders really informed, making sure
18 that people are pulled in at the right moment on
19 the right topic, so I really appreciate Hazel's
20 involvement.

21 Let's see, I also definitely want to
22 acknowledge a couple of additional things. This
23 is only the beginning, this is a milestone, no
24 question, but the rubber is going to hit the road
25 here pretty soon and we're going to have a lot of

1 schools wanting to do projects, we're going to
2 have a lot of them wanting to move as fast as
3 they can to get their projects going, and so
4 we're going to have some more pain points here
5 going forward, no doubt about it, and that's what
6 programs are all about. Programs have to be
7 implemented. So we've gotten kind of most of the
8 way through the design, we still have the
9 templates, a lot of details there, hopefully not
10 too many devils in them, and we also have to
11 crank out the handbook and really -- and there's
12 going to be a lot of interaction. And so those
13 are going to be living documents and we're going
14 to have actual schools with actual experiences,
15 with actual SIRs that they're going to have to
16 calculate, and we're going to have to help them,
17 or somebody is going to have to help them, and
18 there's a whole ecosystem out there that we
19 really need to have aligned with the goal. So,
20 from a program perspective, it's incredibly
21 exciting, I think it will be a big learning
22 experience, and will generate a lot of experience
23 that will help the marketplace thrive way beyond,
24 you know, have an impact way beyond just the
25 dollars from Prop. 39, I think it will help sort

1 of align an important sector of the marketplace
2 for energy efficiency services, and will also
3 have a broader impact on our schools in the way
4 they do business and monitor how well their
5 buildings are performing, and that's a good thing
6 beyond the actual dollars, just improving the
7 best practices out there, I think, is going to be
8 a collateral improvement.

9 So anyway, I have a lot of high
10 expectations as you can probably hear in my
11 voice. And you know, I think I want to just
12 highlight that ecosystem, you know, we at the
13 Commission don't have a lot of funds for EM&V,
14 monitoring and verification, the kind of customer
15 support, you know, that's not a core part of the
16 budget, it's something that we do as best we can,
17 but I think also that support network of industry
18 and allies and utilities and other -- that that
19 broader support network is really fundamental to
20 keep us all on the same page and to get the
21 results that we're looking for.

22 So I know the utilities on the data
23 front, I wanted to highlight something that Kate
24 Gordon said, you know, the information I think is
25 -- you know, we live in the 21st Century, we're

1 heading into 2014, and the goal here is not to
2 micromanage, the goal is to understand, and
3 creating the infrastructure to be able to see
4 what's going on, and make decisions based on
5 actual data, it's not a looking over your
6 shoulder kind of thing, it's an understanding
7 kind of thing. I think you've heard that there's
8 really a good faith effort going on here through
9 the Prop. 39 process to help schools improve
10 their performance in ways that really help our
11 kids directly, I mean, I know accountability is
12 important obviously, as we heard maybe from De
13 Leon's Office, but it's also about certainly
14 maintaining accountability, but it's also about
15 learning from our experience and being able to
16 use that learning in a way that improves policy
17 going forward. We've got five years. We're just
18 starting the first year, the first cycle. And we
19 need to have our eyes open, have the right kinds
20 of information in front of ourselves, so that we
21 can do better the second, third and fourth year
22 and beyond. So I actually think that this could
23 be a very highly impactful process for receiving
24 and organizing information, energy consumption
25 information, and project information to make

1 better decisions going forward, and I think it's
2 a project of a scale, it's a program of a scale
3 that really merits that. So that's kind of the
4 tenor of the discussion and what we broadly,
5 Commission and across the State agencies
6 involved, want to accomplish to help the State
7 achieve the policy goals, but to apply those
8 lessons back into the schools themselves.

9 So that performance-based approach, I
10 think, is just something that we have to
11 understand, that we're trying to perform as a
12 program, and also help schools do what they need
13 to perform, so with that, let's see here. On
14 that last front, the data front, I think just the
15 utilities have been -- I want to highlight PG&E's
16 involvement in that because they've been very
17 helpful with figuring out how to make the process
18 of data collection as streamlined as possible, as
19 simple for the schools as possible. I would
20 encourage the other utilities to sort of take
21 their lead and help us work through that in a way
22 that works for the schools, you know, we're not
23 trying to make it a difficult process, and it
24 doesn't have to be. And, you know, this is
25 really going to have benefits for the State.

1 So with that, I want to just again thank
2 staff for all the hard work and the hard work to
3 come, to finish the handbook and the templates,
4 and I think that's going to generate a lot of
5 discussion. You know, obviously we're all going
6 to be engaged with that, a lot of pressure on
7 staff to achieve, to really get the timeline as
8 tight as possible, and get the stuff done, and I
9 really want to congratulate you on that. I know
10 a lot of the pressure, some of it at least came
11 from me, but from many stakeholders, so you
12 responded beautifully, so thank you very much.
13 And also Executive Office and helping us all keep
14 the right balls in the air and paying attention
15 because I think that internal coordination at the
16 Commission was also extremely valuable. But
17 anyway, one big step forward, and with many more
18 to come. So I'll pass it to other members of the
19 Commission here.

20 COMMISSIONER HOCHSCHILD: Well,
21 Commissioner McAllister thanked a bunch of
22 people, but I'd like to thank Commissioner
23 McAllister because I want everyone to know in the
24 room today, I mean, if there were a super hero
25 award for Energy Commissioners, he would win it

1 this year. He's doing all the Title 20 Appliance
2 Efficiency work, all the Title 24 Building
3 Efficiency work, all the A.B. 758 Retrofitting of
4 Existing Buildings work, the IEPR, the New Solar
5 Homes Program, this program -- and he's just
6 getting started. I mean, as he said, this is
7 actually a big milestone. And I think it's
8 important to note it actually builds on work that
9 the Energy Commission has been doing for 34 years
10 with the ECAA Program, we're approaching 1,000
11 projects, schools and other public buildings that
12 have done retrofits, efficiency and clean energy
13 projects. And Marsha, you've just done a
14 spectacular job with that program, which has not
15 gotten much attention, but really I think Prop.
16 39 builds on that and puts it on steroids. And
17 so I'm really really pleased to see all the good
18 work. The only amendment I'd want from any of
19 what was presented was Andrew's analogy that, you
20 know, splitting the baby on behalf of kids, we
21 may need to revisit that one. But, no, I'm very
22 pleased to offer my support for this vote today.

23 COMMISSIONER MCALLISTER: Actually, I
24 wanted to just add one other thing, that was an
25 intentional, you know, bad analogy, okay, so

1 trying to bring some levity to the podium, I know
2 it's an all-guest occasion, but... Also, the
3 Governor's Office Representative on a lot of
4 these discussions has been Jean Clinton, who I
5 neglected to mention earlier, but is just such a
6 valuable resource on understanding how a lot of
7 these pieces fit together, and was involved way
8 before the legislation was actually signed on
9 sort of thinking through what this might look
10 like, and certainly working on the Governor's
11 team, but then also very much contributing
12 afterwards to working through some of the issues
13 that came up as the legislation evolved and then
14 was signed, and then we looked at how we were
15 going to implement the particulars of the
16 statute. So I wanted to make sure to give her a
17 shout out, as well, for all her contributions on
18 this front, particularly, but other fronts
19 ongoing.

20 COMMISSIONER SCOTT: So this *is* huge and
21 I can see the heroic amount of work that has gone
22 on and taken place. And I'd also like to echo
23 the thanks for Commissioner McAllister and his
24 able leadership here, and then just make a point;
25 I want to echo everything that folks have said

1 around the room, but as the public member, for
2 me, I'm cheered to hear the great amount of the
3 workshops, the public dialogue, the back and
4 forth that has taken place, and will continue to
5 take place on this as we work towards
6 implementing these.

7 And I will also echo the thanks to Marsha
8 and Liz and the team for all of their hard work.
9 It sounds like we've struck the right balance and
10 I'm looking forward to supporting this.

11 COMMISSIONER DOUGLAS: I will just add,
12 because I feel like I really need to and want to,
13 I just want to recognize the size of this effort
14 and the complexity of this effort, the number of
15 agencies involved, the really long hours that our
16 staff have put into this, and our stakeholders
17 have put into this to help us get this right.
18 And, of course, that Commissioner McAllister has
19 put into this because, you know, I do think that
20 we may need to consider an MVP Award for 2013.

21 And I think that Commissioner McAllister
22 was spot on when he said that, you know,
23 implementation is where the rubber hits the road
24 and implementation is where we really need to
25 continue the partnerships developed in developing

1 the Guidelines, and we need to work together and,
2 when there are issues, those issues need to be
3 communicated and when there are needs, you know,
4 people need to step forward. And I'm really
5 heartened by the ability to go so far, so fast,
6 and to be in a position to adopt these
7 Guidelines. I'm very mindful of the
8 responsibilities that come with the program and
9 the trust that has been put into the State, and
10 the Energy Commission, and the School Districts,
11 and really everyone here who has got a part in
12 making this work by the California voters.

13 So we need to move forward, we need to
14 move forward quickly, we need to move forward
15 together, and I want to thank all of you. You
16 know our doors are open, we need this program to
17 be extremely successful, that's what we're
18 looking for and so I strongly support moving
19 forward today.

20 CHAIRMAN WEISENMILLER: I guess I would
21 just say I think all of us look at this as a huge
22 opportunity to reduce energy use in our schools,
23 get the savings to help our education system, and
24 reduce the greenhouse gas, and help with climate
25 change. This certainly is a credible program

1 which hopefully we will achieve these results and
2 set an example for the rest of the country.

3 Again, congratulations on getting this here.

4 COMMISSIONER MCALLISTER: All right,
5 well, thanks to staff. So anyway, thank you very
6 much. Somewhat unexpected, you know, when you're
7 -- it's nice to hear the positive comments, but
8 when you're sort of looking at the grindstone,
9 you maybe don't really think about that, so I
10 appreciate it.

11 Let's see, so we have a Resolution, I
12 believe, which I -- have we been provided with
13 the wording? Okay, so there's a Resolution for
14 Item 4 and I will move the Resolution for the
15 California Clean Energy Jobs Act.

16 COMMISSIONER HOCHSCHILD: Second.

17 CHAIRMAN WEISENMILLER: All those in
18 favor?

19 (Ayes.) This item passes unanimously.

20 Let's take a 10-minute break. [Applause]

21 (Break at 12:30 p.m.)

22 (Reconvene at 12:50 p.m.)

23 CHAIRMAN WEISENMILLER: Hi, we're back on
24 the record. Let's do Item 6, Minutes.

1 COMMISSIONER DOUGLAS: Move approval of
2 the Minutes.

3 COMMISSIONER HOCHSCHILD: Second.

4 CHAIRMAN WEISENMILLER: All those in
5 favor?

6 (Ayes.) That passed four to zero with
7 one abstention, an absence.

8 CHAIRMAN WEISENMILLER: Let's go to Lead
9 Commissioner, Presiding Member Reports.

10 Let me start. I think we'll have a list
11 of stuff. And this is our last Business Meeting
12 for the year, and as the year winds down, it's a
13 good time to reflect on the past year and to look
14 forward to the next year.

15 And I think it's been a year, as
16 indicated from the last few Business Meetings, of
17 substantial accomplishments, but again, in many
18 respects we're laying groundwork for things that
19 are going to really blossom next year. And so I
20 think I would like to at least put out my
21 personal thanks on stuff. I'd like to start with
22 my office, you know, certainly between Catherine,
23 Kevin, Sekita, and Grant, I've got a very strong
24 team that really helps me to deal with the
25 demands of this job. And at the same time, I

1 certainly would like to reach out to my fellow
2 Commissioners. I think we have a great team,
3 it's certainly good to have everyone here, almost
4 everyone confirmed, and you know, being able to
5 move forward. But, again, it's a very good mix,
6 a lot of energy and enthusiasm and, again, it's
7 going to be great next year.

8 I think certainly part of the real heroes
9 of the organization has been Rob, you know, that
10 in terms of basically making sure that we're
11 doing what we need to do as effectively and as
12 efficiency as we can. And certainly Drew has
13 been a key part of that. But certainly we have a
14 very strong Executive Office team now when you
15 look, I mean, with Lori Sinsley in
16 Communications, with Jay in Legislative Affairs,
17 with Kourtney in Compliance, Joan in Nuclear,
18 certainly Heather, you know, I've worked with her
19 on a number of things, Mary on the Audit side, I
20 mean, again, it's really a very strong Executive
21 Office team that really makes a lot of things
22 happen a lot better than they had been, you now,
23 and I think we've really made a lot of -- I think
24 some of you were here when I said one of my top
25 goals was to reset our legislative relationships,

1 and I think we've made a lot of progress there
2 and, again, with a lot of that coming from the
3 Executive Office Team.

4 I think in terms of obviously Mike
5 leaving his office, you know, certainly provided
6 a lot of support for all of us, Paul Kramer in
7 the Hearing Office, also. Actually, one of the
8 goals I've had for a long time has been e-Filing,
9 so again, seeing that it's not been easy, but
10 it's there, so that's great.

11 In terms of the divisions that I work
12 most closely with, you know, certainly Laurie ten
13 Hope in R&D has been phenomenal to work with. I
14 mean, this has been the year of the EPIC -- I'm
15 trying to remember whether there's 11 or 12, but
16 the figures who did the Investment Plan under
17 very difficult conditions, certainly Laurie,
18 certainly Pam Doughman, Eric Stokes, Virginia
19 Lew, Allan Ward, Gabe Herrera, you know, they've
20 been just a phenomenal team to put the Investment
21 Plan together and got us to where we're ready to
22 re-launch, which is great.

23 I think in terms of -- I also worked very
24 closely with Sylvia Bender and that group and,
25 again, I think in terms of her coordination with

1 the PUC and CAISO on the SONGS effort, you know,
2 and in responding to the real commitments on the
3 Padilla Letter, have been phenomenal, certainly
4 other heroes in her division are sort of Kris
5 Kavalec on the Demand Forecasts, is really that
6 competence, just taking very complicated issues
7 and marching through those, and certainly Nick
8 Fugate, the assistance in that area have been
9 phenomenal, Jaske, obviously, Jaske always is
10 sort of thinking one step out and digging into
11 stuff. And I think in the whole DG area, I think
12 Linda Kelly, Rachel MacDonald, and Matt Caldwell
13 have done a lot of great things on Smart
14 Inverters and in terms of distribution planning.

15 I think all of us who have ever been
16 involved in the IEPR, you know, Suzanne has
17 always been one of our real heroes there. And
18 certainly it's great now that she's moved on to
19 bigger and better things. And at the same time,
20 you know, frankly between Heather, Lynette Green
21 and Stephanie Bailey, I mean, we have a very
22 strong team there that's stepping forward.

23 And I had the opportunity earlier in the
24 year in the transition period to work with the
25 Renewable folks on the Guidelines and Regulations

1 and certainly for my activity there I'd like to
2 thank Angie Gould, Kate Zocchetti, Emily Chisolm,
3 and Gabe, obviously, for doing a phenomenal job
4 there. And then also Mark Hester, Christine
5 Crume, Gina Barkalow and, again, Gabe, still
6 getting those things done.

7 Also, we worked on getting the Investment
8 Plan done and adopted and, again, that was a
9 great opportunity to work with Randy Roesser, Jim
10 Butler, Jim McKinney, and also Charles Smith.

11 So, again, I think it's been a great year
12 for us and I think in terms of looking forward to
13 going forward into the future, one of the things
14 I wanted to mention was sort of some adjustments
15 in terms of the Presiding Member areas or Lead
16 Commissioner areas.

17 So the first thing I'm going to do is I'm
18 going to reunite the Electricity and Natural Gas,
19 myself as the Presiding Member. Also, that is,
20 we've not quite had this IEPR out the door, but
21 the next one, Janae Scott will be the lead on
22 that. In terms of Commissioner Hochschild will
23 have the New Solar Homes Partnership, which I'm
24 sure he's already thinking of a lot of activities
25 on how to really build off of the revised

1 Regulations and really get that to roll. And
2 Commissioner Douglas is going to take the lead on
3 the SB 1103 and the AB 454 activities. So, I
4 mean, in terms of making some of the shuffles.

5 So I think that's where we're going to be
6 really positioned marching forward on stuff. And
7 in terms of the more narrow focus, just on
8 looking back at the last couple weeks, I would
9 note that with Laurie tenHope and her folks, we
10 did an MOU with ARPA-E in the summer and that was
11 the first MOU ARPA-E has ever done with a State
12 agency, and it was one of the first steps. Their
13 team came out, we had a great working session
14 with their team yesterday, and talked through
15 what they're doing in these areas, what we're
16 doing, and how they go about doing things and how
17 we can work together better. It was a fun
18 meeting, I mean, we all go through meetings
19 around here and we go, "Oh, my God, not another
20 one," but that was actually a pretty fun meeting
21 to talk about what ARPA-E is doing and how they
22 go about it.

23 In addition, a couple other things we've
24 accomplished, we committed to Senator Padilla
25 that we were going to align the agencies, the

1 Energy Commission, ISO, and PUC, on the
2 forecasting. And so again with Commissioner
3 McAllister's help, we actually got an agreement
4 on Monday with the PUC, President Peevey, and
5 Commissioner Florio, and also Steve Berberich on
6 how we're going to go forward. And we also this
7 week also made a commitment to them, to the PUC,
8 that we will participate in their LTTP process.
9 So one of the things we've done, along with just
10 trying to line up the forecast, is we're trying
11 to go back through our various processes and
12 align those better. One of the things that's
13 been a perennial problem was re-do things that
14 feed into PUC things, and PUC does things that
15 feed, you know, and suddenly you discover that,
16 once you have everything that carefully aligned
17 that six months later things have flared either
18 here or there, and you're out of alignment, so
19 the things you thought you were going to get as
20 an input don't come, or things they thought they
21 were going to get from us as inputs don't occur.
22 And so we've got a pretty good process in line
23 now.

24 One of the issues has been, as everyone
25 here knows, our IEPR is more or less an annual

1 event with sort of a major and then a minor
2 update. And the ISO does an annual transmission
3 plan and more or less the LTTP process is a
4 little more episodic and they're going to try to
5 get that on a cycle also where there's a major
6 update every two years, and more of a minor
7 refresh every other year, and then sort of sync
8 up among our processes something where we can
9 stay connected. So again, Sylvia Bender has been
10 phenomenal with her staff on trying to really
11 work through those issues. It's been a good
12 opportunity to convert the commitments made by
13 myself and President Peevey and Steve Berberich,
14 but to convert those down to working
15 relationships and understandings among the line
16 staff. So, again, it's not been easy. We
17 certainly -- where we're at now, I must say, is
18 not an end point, I think I said this last week
19 at the main forecast, it's sort of a transition
20 point and we will keep doing -- there are things
21 that have to be improved, we'll have to make more
22 improvements every year for the next five years
23 or something, until everything is really working
24 pretty smoothly. But we took some pretty giant
25 steps this year. So, again, it's been a great

1 year, certainly we will continue to have a lot of
2 opportunities and challenges next year, but it's
3 always gratifying when we rise to the occasion.

4 COMMISSIONER MCALLISTER: Well, thank
5 you, Chairman Weisenmiller. First of all, I want
6 to thank you for all the support through the IEPR
7 process, you know. Also, I was a Peace Corps
8 Volunteer actually way back in the day, it's been
9 a while, but you go to a new country, you figure
10 out how to speak the language, you meet a bunch
11 of people, you sort of figure out the lay of the
12 land where the roads are, where you buy food, you
13 know, in my case I actually installed electricity
14 in my home because I was just beyond the last
15 pole, so I figured what the heck, a lot of things
16 to do. And it lasted two years. And you realize
17 when you're about to leave after two years that
18 you're only now getting going to figure out what
19 the heck you're supposed to be doing and getting
20 something accomplished. Now that you know the
21 language and the people and the system, and all
22 that. And it's both the blessing and the curse,
23 you have all these idealistic young people going
24 out there. Anyway, this is the way I feel at the
25 Commission now, I'm just kind of getting my sea

1 legs after a year and a half or so here and, you
2 know, with some years left in my tenure here and
3 starting to think about what I really want to
4 accomplish, and I look back on this year and I
5 just realize how much of a really a sort of
6 foundational set of experiences it has been for
7 me, personally, and also just getting some
8 important things done at the Commission. And I
9 think I'm looking forward to 2014 also as a year
10 where we can be even more effective. I mean, I
11 think, to build on something that the Chair said,
12 you know, I think we're being very successful in
13 putting in place the teams here at the Commission
14 that get things done and are effective, you know,
15 not that they weren't before, but just sort of
16 administratively getting our ducks a little bit
17 more in a row, and keeping folks sort of passed
18 appropriately so they know what they're supposed
19 to be working on, and what the deadlines and
20 milestones are, and just sort of getting our best
21 management practices in line. And that allows
22 us, I think, as an agency to deal with the
23 inevitable curve balls that come and deal with
24 those in a way that doesn't sort of upset the
25 whole applecart. So, again, I really see a lot

1 of progress. We've hired some great people this
2 year and filling some gaps on staff with really
3 quality people and sort of a really sort of I
4 want to thank the Executive Office, Rob and Drew,
5 for keeping that big picture in place and
6 executing on it effectively because I think
7 that's really helping the agency as a whole and
8 making us more effective at what we do. And
9 certainly it's good for me as a Commissioner to
10 have that support and be able to work through
11 staff more effectively as a result.

12 So I wanted to just make a few staff
13 acknowledgments clearly on Prop. 39, we heard
14 earlier today what a tremendous effort it was,
15 and staff, and I want to just commend again
16 Marcia Smith and Liz Shirakh and Prop. 39 team on
17 that. I'm really happy to have them in the
18 Energy Efficiency Division, I know Dave probably
19 is, they've moved over and I think have settled
20 in nicely in the Efficiency Division, and it's
21 really a great fit and it's terrific to have them
22 sort of cross-pollinating with the existing staff
23 there.

24 On the IEPR, boy, you know, Heather Raitt
25 and Lynette Green have just run such a tight ship

1 and I have to also call out Suzanne Korosec, the
2 outgoing IEPR Lead, now over as the Deputy over
3 Renewables, a new Division of Renewables, a great
4 move for her, I think professionally as well, but
5 while we were sorry to see her go, she had a lot
6 of tenure there and a lot of ownership over the
7 IEPR, Heather really has stepped up and is doing
8 just a phenomenal job. And Lynette and the rest
9 of the team, Stephanie, just are doing a
10 tremendous job, and we're getting close to the
11 finish line there, too. So early January,
12 hopefully we'll be having a lot of positive
13 comments about the IEPR, too. Maybe I'm
14 projecting, but in any case, that's a really
15 foundational document for the state and it's
16 great to see it coming together and getting
17 towards the finish line.

18 And a few of the IEPR Chapter authors, I
19 think, have done a really tremendous job, the
20 Transportation Team just did a bang up job on it,
21 and I know that with Commissioner Scott's
22 leadership also there. But I think that's been a
23 really key area for us, Transportation, and it
24 shows in the IEPR and the other products that are
25 going to be coming out later.

1 The gentleman on the Nuclear Chapter, I
2 think, did a tremendous job. There were a lot of
3 sticky issues there and obviously lots going on
4 with nuclear in the state, and I think that's a
5 really tremendous accomplishment on her part, on
6 the product team's part. As well, on the
7 Forecast, as Chair Weisenmiller mentioned, that
8 has been a huge effort, and we saw the tail end
9 of it today, but Chris Kavalec, Sylvia in general
10 for her leadership on the issue, but Chris
11 Kavalec in particular, Mike Jaske, Nick Fugate,
12 and I think have really just played a tremendous
13 part in the electricity issues generally and the
14 forecasts itself.

15 I wanted to call out also David
16 Hungerford who has spent a year or so as my
17 Adviser and did a great job, and now is over in
18 the RD&D Division, and led the Demand Response
19 chapter, the development end. And I think he did
20 a fine job there. And Demand Response is another
21 issue that is a key one for the state at the
22 moment, all the reliability issues in Southern
23 California, just trying to make it work, and Dave
24 has provided quite a bit of sort of intellectual
25 input into that.

1 Again, back to the EE Division, I want to
2 note that Gary Flamm is going to retire soon and
3 I just wanted to call him out for his years of
4 dedication and his expertise on the lighting
5 front, really a huge resource and I think has
6 just accomplished a tremendous amount over his
7 career on lighting efficiency in general, and
8 most recently with the LED specification that we
9 developed, the voluntary spec for LED lamps,
10 which is having already a big impact in the
11 marketplace, it's really great.

12 And I wanted to call out also Chris
13 Olivera for developing training materials and
14 conducting building standards training to
15 building officials, we've had a lot of effort
16 this year and finalization, adoption, and now
17 implementation of the 2013 Building Standards.
18 It's ongoing, it's a humungous lift, and we have
19 a lot of staff who is dedicated to it, you know,
20 Martha Brook is the sort of fearless leader of
21 that team, but, boy, there are a lot of people
22 that are dedicated on that team to getting that
23 to the finish line, and we can't quite call it a
24 final accomplishment for 2013, but a lot was done

1 this year that we do need to, I think,
2 acknowledge.

3 And well, actually a couple of other
4 people I want to call out. Christine Collopy,
5 who is now Dave's Deputy in the Efficiency
6 Division, but was really a tremendous force in
7 the ARRA period and was the glue that held a lot
8 of the stimulus activities together, and provided
9 that kind of leadership outreach to stakeholders,
10 really kind of effective communication in the
11 ARRA period, and now moved into the AB 758
12 building on a lot of those lessons, and then
13 became the Deputy that Dave's a second in that
14 division. So I really want to call out her
15 quality work, she's been a tremendous resource
16 and I'm really glad to have her.

17 And you know, I think I'll stop there.
18 Oh, actually, I have two more that I want to call
19 out. NSHP, I'm really glad to be -- the last
20 Business Meeting when we sort of got the
21 Guidelines, got the NSHP Guidebook, the updated
22 one adopted, was sort of a good moment for that
23 program to go back to the Renewables Division,
24 and they go to the Renewables Division and set
25 with Commissioner Hochschild, so I think now is

1 the moment to make that happen, and I really
2 appreciate your stepping up to that. Obviously
3 there's a really great foundation here, we need
4 to scale that program up, and I think your
5 leadership is really going to help there. So I'm
6 really happy to pass that program to, in some
7 sense, its proper place with Renewables Division.

8 And then let's see, on Natural Gas, I
9 wanted to call out Linda Spiegel, as well. I
10 don't think you mentioned her, but she's a
11 relatively new addition, she's a new supervisor
12 coming over from the PIER Program, and helping to
13 bring a little bit of standardization and quality
14 control and some new ideas to the team's modeling
15 analysis, and I think that's really a good
16 development. And finally, in Legal, I just
17 wanted to call out the folks that I work with
18 most, that are just real quality, Pippin Brehler,
19 Caryn Holmes, and Kristin Driskell on the
20 Appliances and Building Efficiency generally and
21 on data, we're getting a handle on a lot of
22 fairly complex issues and I think they've just
23 been invaluable to help me and my office be more
24 effective, and staff as well. So with that, some
25 highlights of staff -- oh, you know, and I'm

1 leaving my own staff out, geez, thanks for the
2 reminder. My staff is my right hand and probably
3 both of my hands at this point, but Pat Saxton,
4 who is just an invaluable resource on building
5 efficiency and solar, actually, very involved in
6 the NSHP back in the day, and also in efficiency,
7 has a really good mix of technical and sort of
8 people skills which, you know, engineers don't
9 always have that. And then Hazel Miranda, who
10 really worked hard sort of on legislative issues
11 generally for me, but also on the Prop. 39 was a
12 really key instrument for my office to help get
13 things done. And then Donna Parrow, my
14 assistant, she's just been incredibly valuable
15 through all of this, the scheduling to get all
16 these things through the system is pretty
17 daunting, and so I'm really fortunate to have a
18 great team on my side and working with all the
19 other Commissioner offices, as well. So thanks.

20 COMMISSIONER DOUGLAS: So if I could, I'd
21 also like to take this opportunity to recognize
22 the hard work and long hours of Energy Commission
23 staff, and offer my personal appreciation and
24 thank you for all of our achievements in 2013.

1 I'll speak to the ones that I was most involved
2 in and have most knowledge of.

3 In 2013, I was Lead Commissioner for
4 Siting and was assigned to many of the siting, in
5 fact, all the active siting, and amendment
6 request committees. I've also been involved in
7 ARRA some energy efficiency, some renewables
8 issues through especially some of the compliance
9 and enforcement work at the Commission and legal
10 matters. And I'll say that, as a second term
11 Commissioner, I sit here every year and have for
12 years, and I continue to be impressed with the
13 hard work and dedication and just work ethic and
14 commitment to mission that we find here. So I'll
15 mention a few things particularly in the siting
16 area.

17 In 2013, the Energy Commission continued
18 construction oversight for four new solar thermal
19 power plants that will generate 1,020 megawatts
20 of renewable power, and seven gas-fired power
21 plants that will generate 4,034 megawatts. Of
22 those 11 projects, one solar project has achieved
23 commercial operations, six of the gas-fired
24 projects have achieved commercial operation. The
25 Energy Commission initiated technology change

1 amendment proceedings for two solar power plants
2 totaling 985 megawatts and certification
3 proceedings for three natural gas-fired power
4 plants, totaling 1,870 megawatts, and a carbon
5 capture and sequestration-based project using
6 coal and petroleum coke totaling 390 megawatts,
7 and those are ongoing. The Energy Commission
8 approved 16 post-certification amendments to
9 power plant certifications and worked on another
10 13 amendments and processed three complaints this
11 last year.

12 This last year, as the Chair mentioned,
13 we were also able to transfer from a paper-based
14 mail copy and scan system in siting cases to an
15 electronic filing system. I'd like to thank
16 James Reed, who took the lead on that effort,
17 along with a lot of team members from siting
18 staff, hearing office, legal office, and more, in
19 order to bring that process to fruition. The
20 Executive Office was also engaged in that every
21 step of the way, and it was extremely valuable.
22 And as Mr. Reede mentioned, when we approved
23 moving to that system, it came into place on time
24 and under budget, and it's been working very well
25 for us.

1 I'd like to thank the hearing officers,
2 Paul Kramer, Ken Celli, Raoul Renaud, and Susan
3 Cochrane, as well as their support staff, Maggie,
4 Darlene, and Cody, for making our work go well,
5 go smoothly, as we handle this workload. And I'd
6 like to thank the Public Advisor, Alana Mathews
7 and her staff, Blake Roberts and Laura Murphy,
8 for their very hard and very important work
9 helping engage the public in our process. So
10 thank you. I'd like to thank Eileen Allen for
11 her dedication and commitment to the commission
12 siting process, and the expertise that she makes
13 available to Commissioners on siting cases, and
14 the siting and transmission and environmental
15 protection staff. Each siting case has
16 approximately 30 staff engaged in a case,
17 including the Project Managers, Engineers,
18 Biologists, Archaeologists, Attorneys and Project
19 Assistants, and it's not an easy job, it involves
20 pressure and deadlines and hard work and travel,
21 and I'm continually impressed by the good work
22 that they do under difficult conditions and
23 particularly with the committees always watching
24 the bottom line, always watching the clock
25 because, of course, we want work done well and we

1 want it done timely, and it's not always easy,
2 but I'm pleased at how they have managed to meet
3 those demands.

4 So, let's see, Renewable Energy, I will
5 just mention the Renewable Energy and
6 Conservation Planning Grants. We were able to
7 grant \$3.4 million to five Counties to update
8 their General Plans to accommodate and plan for
9 renewable energy and conservation goals. This
10 program was very successful. We're working with
11 a number of Counties very cooperatively, that
12 help support the Desert Renewable Energy
13 Conservation Plan, it helps support mutual State
14 and local government goals, and engage the public
15 in really meaningful way. I'm very pleased to
16 note that we're moving forward with a second
17 phase of that program in early 2014. Eli
18 Harland, who is now my Adviser, was the Lead
19 staff person on this program in 2013. Pablo
20 Gutierrez is moving forward with Phase 2, and I
21 appreciate his work on Phase 2 of the Grant
22 Program.

23 As probably everyone here knows, I've
24 been leading the effort on the Desert Renewable
25 Energy Conservation Plan for the Energy

1 Commission for some years now. The DRECP is a
2 collaborative effort of the Energy Commission,
3 the Bureau of Land Management, the both Federal
4 and State Wildlife Agencies, as well as the State
5 Lands Commission, Federal and State Parks
6 Agencies, Desert Counties, Renewable energy
7 developers, and many many many stakeholders,
8 including, of course, very importantly the local
9 governments who we're partnering with on this
10 planning effort. The work that we're doing will
11 help plan for large scale renewable energy
12 facility development and also plan for the
13 conservation over the long term of natural
14 resources in the desert.

15 The plan has progressed very far in 2013.
16 We have reached the point of having essentially
17 turned over the staff work, the multi-agency
18 staff work, to our consultant team, and so we'll
19 be looking forward to reviewing a draft when it
20 comes back, as soon as we reasonably can, putting
21 out a public draft for review in the public
22 review process.

23 I want to thank the Energy Commission's
24 team of individuals who are focused on DRECP day
25 in and day out, night and weekends, Scott Flint,

1 Kristy Chew, and Steve Adams are some, but by no
2 means all of the people who are putting in very
3 very hard work and long hours on DRECP.

4 In Compliance and Enforcement, I want to
5 acknowledge and thank Kourtney Vaccaro, she's
6 come on with Executive Office to lead our
7 Compliance and Enforcement efforts, organization-
8 wide, working for Rob and helping the Executive
9 Office work to standardize what we do across
10 divisions to look ahead, to problem solve and
11 troubleshoot, and really help us get some very
12 important programs off the ground. The Energy
13 Commission has gotten some new compliance
14 enforcement authority over the last couple of
15 years from the enforcement of energy efficiency
16 standards for appliances that was recently, a
17 couple of minutes ago, assigned to me to lead.
18 I'll just say on that, I'm pleased to be working
19 on it, I have been working with Commissioner
20 McAllister on it as we've moved, and with
21 Kourtney and, again, a strong team of staff and
22 attorneys. I'm hopeful that we'll be able to
23 kick off with a workshop and release a draft, a
24 set of Regulations in the spring of 2014.

1 I would like to thank Rob and Drew, as
2 well, my Executive Assistant, Ollie Awolowo, and
3 while she's currently out on leave, which I hope
4 she'll return from in the spring of next year,
5 Lauren Welch has stepped in and been very helpful
6 to me to help carry out the year as my Executive
7 Assistant. I'd like to thank my Advisers,
8 Jennifer Nelson, Eli Harland, and last by not
9 least, to Galen Lemei, a former Adviser who has
10 returned to Legal Office, but who continues to
11 work on a very many thinks of great interest and
12 importance to me, and I want to thank him very
13 much, as well as his colleagues in the Legal
14 Office who do very excellent work for the Energy
15 Commission. And I think I'll stop there. But
16 this has been an extraordinarily intense year.
17 We've gotten a lot of work done and I'm looking
18 forward to 2014.

19 COMMISSIONER HOCHSCHILD: Okay, well, Mr.
20 Chairman, I'd like to just begin by thanking you
21 for -- it's a complicated job that you have, it's
22 sort of an air traffic control function half the
23 time, and he's landed a lot of big jobs tonight,
24 and I just want to thank you for all your work.
25 I would say this has been a landmark year, you

1 know, we've gotten 118 reauthorized, a very
2 bright future in clean transportation, the EPIC
3 Program up and running, today with Prop. 39 I
4 feel really good about it, and again,
5 Commissioner McAllister, making great decisions
6 on New Solar Homes, and with Prop. 39, really,
7 that's what we're here to do, is make good
8 decisions and get good things done. And also,
9 you know, three out of the four of us on this
10 dais got confirmed by the Senate this year and
11 I'd like to think that's a validation that we're
12 pushing things in the right direction. So my
13 thanks also to my team; Gabe Taylor has been
14 absolutely invaluable, and Kathleen McDonnell,
15 and also to Kelly Foley for her many
16 contributions and salty sense of humor. I will
17 miss her and wish her well at the Sonoma Clean
18 Power. And also my terrific Renewables team,
19 Kate Zocchetti, Angie Gould, Gabe Herrera, Emily
20 Chisholm, Lauren Gonzales, and Kevin Chou. And
21 for the procurement verification report, getting
22 that done, Gina Bakalow, Theresa Daniels, and
23 James Haile for all their work.

24 A few other points I want to make, I'm
25 particularly excited about going into next year

1 what we can do around communications. I think we
2 continue to have a big opportunity to tell the
3 success stories better, that matters, it is good
4 for California's economy, and everything we need
5 to do to meet our greenhouse gas goals, that
6 should get those stories told well, so I'm very
7 happy to see Lorie Sinsley dig in and to get our
8 newsletter up and running and the California
9 Clean Energy to our website and I look forward to
10 partnering with her going forward. I'm also very
11 grateful to all the guest speakers we got this
12 year, and want to just briefly list and thank
13 them: Steve Chew from Stanford, John Rollinghall
14 (ph) from FERC, Bill Glassley from the Geothermal
15 Energy Association, Nancy Rader from the Wind
16 Energy Association, Dick Swanson and Julie
17 Blender from Sunpower, Professor Mark Jacobsen
18 from Stanford, Lenny Hochschild from Evolution
19 Markets, Mike Bruin from Sierra Club, and Jeane
20 Varranini suggested by the Chairman for a very
21 entertaining talk on the birth of the Energy
22 Commission. And then finally, again, to Rob.
23 I've had the opportunity to work in my career
24 for some dysfunctional organizations, and so the
25 role that the Executive Director plays is maybe

1 not as public as the Commissioners, but in many
2 ways it's much more important, and I really
3 appreciated how you keep the trains running and
4 you're just relentless. I've noticed that. You
5 have an incredible work ethic and a lot of times
6 solved problems before other people recognize
7 they're problems. And I just want to pay tribute
8 to that. I think we're very fortunate to have
9 you and Drew in these positions, and excited
10 about what we can do together. We're here to
11 make things better and to make a difference, and
12 I just particularly wanted to compliment you, and
13 everything from the plants in the lobby to make
14 it more inviting, to the real art that just
15 happened, which is a very just cleaner more
16 rational arrangements, the right buds and the
17 right seeds, and you know, you've done that just
18 consistently. So I just want to say thank you,
19 and also to our Chief Counsel for your hand work
20 this year. And then thanks to my colleagues.

21 CHAIRMAN WEISENMILLER: Hi. You want to
22 -- a few words.

23 MS. KIMURA-SZETO: Hi. Thank you, Chair
24 Weisenmiller and Commissioners. My name is
25 Lezlie Kimura-Szeto, I'm Adviser to Commissioner

1 Scott. Commissioner Scott sends her regrets that
2 she couldn't be here for this part of the
3 meeting, but she did ask me to read the following
4 on her behalf: "So thank you, Rob, and thank you
5 to the Chair, for including this time on the
6 agenda, to acknowledge Energy Commission staff.

7 As Lead Commissioner on Transportation, I
8 work most closely with the Fuels and
9 Transportation Division. Thank you, Randy
10 Roesser and John Butler for so ably leading this
11 division. The Transportation Division is a great
12 group with lots of strong performers, and I'd
13 like to thank them for their diligence,
14 professionalism, and expertise.

15 There are numerous staff that I could
16 mention, but let me give three examples of
17 sustained superior efforts by acknowledging
18 Charles Smith, Tim Olsen, and Jim McKinney.
19 Charles oversees the Investment Plan for the
20 Alternative and Renewable Fuels and Vehicle
21 Technology Program, he is thoughtful, responsive
22 to stakeholders, steady and articulate. Charles
23 has been a terrific point person for this program
24 and I thank him for his excellent work. Tim and
25 Jim have been masterful in developing a well

1 written transportation chapter for the IEPR,
2 hosting workshops that brought in experts from
3 all over the world, and responding to comments
4 and working with NREL on various analyses.

5 I wish that there was time to acknowledge
6 everyone who has done a great job. The list of
7 accomplishments from timely robust solicitations,
8 to a newly created map of ARFVTP funded projects
9 on our webpage, and I could go on, demonstrates
10 their dedication and hard work that is carried
11 out by the staff each day. Thank you, team, for
12 that work.

13 I also want to thank the Public Advisor,
14 Alana Mathews. As the public member on the
15 Commission, I look forward to continuing to
16 partner with her on projects that increase the
17 accessibility of the Commission.

18 Additionally, I'd like to acknowledge the
19 many experts from around the Commission who have
20 provided me with thoughtful briefings on the
21 variety of the incredibly relevant energy related
22 areas that we oversee. And to my fellow
23 Commissioners, thank you for being such great
24 colleagues. I look forward to all we and the

1 committed staff at the Commission will accomplish
2 next year." Thank you.

3 CHAIRMAN WEISENMILLER: Thank you.

4 Actually, one of the great parts of next year in
5 the IEPR will be the transportation focus and
6 particularly with the reauthorization, it's a
7 good time to provide that showcasing.

8 COMMISSIONER MCALLISTER: Can I make one
9 more comment? I want to just again -- I don't
10 think it was clear enough, I want to thank really
11 my fellow Commissioners for sharing the wealth on
12 all the work we have to do, so the reassigned
13 things, I think, were largely on my plate, and it
14 really makes a lot of sense the direction that
15 we're going, and I particularly want to thank
16 Commissioner Douglas for taking on the
17 enforcement-related things because that's a place
18 where we're really opening up the road and I
19 think the big machines have to go in there and
20 open up the road, and it's really important
21 because it sets the tone, it puts our skill set
22 in place, and I think it's really important and I
23 think that's the right job and I'm obviously --
24 I'm grateful to Commissioner Douglas for taking
25 that on, and also certainly feel that it's

1 essential for the energy efficiency endeavors
2 that we have going forward to get that right, and
3 so I really want to contribute in any way I can
4 ongoing, even though I'm not going to be the lead
5 on -- I'm talking specifically about AB 1103 and
6 SB 454, which I think are two pieces of
7 legislation that are extremely important to get
8 right as we implement them, and I know they'll
9 get done right under Commissioner Douglas' watch.

10 CHAIRMAN WEISENMILLER: And you're
11 leaving them in great shape.

12 COMMISSIONER MCALLISTER: I will, yeah.
13 Thanks.

14 CHAIRMAN WEISENMILLER: Okay, so let's go
15 on to Chief Counsel's Report.

16 MR. LEVY: Thanks, Commissioners. No
17 report, but I would like to follow suit with just
18 a few remarks, and I'll talk about my team in
19 just a minute. But some of the folks that you
20 guys see every day that work and partner closely
21 with us every day, I just want to give a special
22 shout out. When we were doing last minute
23 changes to the Agenda, and Harriet is making
24 gymnastics to make sure those get posted in the
25 morning in time, Rachel Grant in the Contracts

1 Office who partners with our team on a day-by-day
2 basis, Veronica Rodriguez in our Personnel
3 Office, and Lou Quiroz in our Training Office and
4 Testing Office, and folks that we deal with in
5 Legal on a routine basis, you've given call-outs
6 for all of the Deputies individually, and we're
7 really delighted to partner with them. And I'd
8 like to give a shout out to Rob and Drew for
9 fostering an environment of collaboration and
10 partnership between the Deputies in Legal, we're
11 all a big team here to provide the best advice
12 and recommendations to the Commission on a day-
13 by-day basis, and I just want to make sure that
14 that sounds out.

15 The Public Advisor's Office and the
16 Hearing Office, okay, I'll take credit for the
17 hire for Alana Mathews Davis, she was a staff
18 attorney before you took her from me, which was a
19 huge loss to our legal team, but a huge gain to
20 our legal team in that we have a fabulous partner
21 in the Public Advisor's Office and a wonderful
22 relationship where Legal and the Public Advisor
23 work collaboratively together to make sure that
24 the public is getting the information that they
25 need, and that we're working together for the

1 common goals involved in her office's work and
2 our office's work. The Hearing Advisor's Office
3 and Paul's work to work collaboratively with us,
4 as well, so we're working in advance to avoid
5 litigation and to make sure that the
6 recommendations coming out of there are passed
7 off to us later on in a very collaborative way,
8 as well. I think Roger's team was mentioned, as
9 well.

10 I'll mention my three Assistant Chief
11 Counsel's Jeff, you've mentioned Alan already,
12 Jeff for Siting and Rebecca, who is one of our
13 new hires, is here, as well, and I'll mention
14 them not just for the work that they do every
15 day, but also because they're part of our hiring
16 team, and our hiring team, I would say, has been
17 one of the Legal Office's strongest
18 accomplishments this year, and so I'd like to
19 call out some of the names because you folks see
20 folks on the highly visible projects; day-to-day,
21 we have 25 attorneys and eight support staff who
22 are doing the work of the Commission routinely,
23 who aren't always seen, who aren't always in your
24 offices and briefings, but they're doing the day-
25 to-day work. And the newer ones, I'll just call

1 out, Sarah is sitting right over there, Samantha,
2 Gabriel, Hannah, Angela, and their volunteer
3 Attorney, Catherine, who you may not have seen
4 yet, but she's new; in our Dockets Office,
5 Tiffany, who is taking the lead for doing all the
6 docketing work, and our entire support staff team
7 led by Muoi-Lynn Tran, who I know you know and
8 see on a periodic basis. These folks are doing a
9 monumental amount of work. And Commissioner
10 Hochschild's comment about air traffic control is
11 correct. The folks on the line, they know
12 everything there is to know about each of the
13 trees in the forest. And of course, my job is to
14 make sure that their information and their
15 knowledge base is able to support the policy-
16 level work that you folks are doing, you know, as
17 the issues are coming down from on high, and to
18 piece it all together. Without all of them and
19 their expertise and their diligence, I couldn't
20 do my job, and the agency, I don't believe, would
21 really function. I would like to in that regard
22 thank the Commission for giving me the
23 opportunity again, continuing to give me the
24 opportunity to work with such a talented team of
25 lawyers and legal professionals and support

1 staff, and program staff who really set the
2 benchmark for what it means to be in civil
3 service and to work for the State of California.
4 So thank you very much and thank you for your
5 support.

6 CHAIRMAN WEISENMILLER: Thank you.
7 Executive Director's Report.

8 MR. OGLESBY: Thank you, Mr. Chairman and
9 Commission Members. A lot has been said, and I'd
10 like to associate myself with the compliments to
11 the staff and the work that's been mentioned
12 already, and I think I'd like to add just a few
13 things that may be left that deserve being called
14 out.

15 Certainly, we have an amazing
16 organization and the work of the organization as
17 a whole, including the Commissioners, I think it
18 was Kate Gordon who referred to Marcia and Liz's
19 work correctly as heroic, and I think that also
20 applies to the mission and the accomplishments of
21 the Energy Commission as a whole and of all the
22 hardworking people that work here and decided to
23 dedicate their lives and their careers here.

24 I will try not to repeat some of the
25 major achievements and major achievers who have

1 already been identified, but in addition to, once
2 again, thanking Drew Bowen, my right hand as
3 Chief Deputy, Executive Officer, I want to also
4 call out my other right hand, Rebecca Kessler,
5 who helps invaluable guide me through the day.
6 And I think Jay Dickenson clearly has been a game
7 changers as a Leg Director here, but also wanted
8 to add on that he's made an excellent addition to
9 his staff with Melissa RayKing, who is very
10 capable and multiplies our effectiveness in the
11 Legislative arena. Lori Sinsley, of course, has
12 been mentioned, Heather Raitt, Kourtney Vaccaro,
13 clearly a leader, and a strong addition to staff,
14 as Joan Walter for Nuclear issues has been, and
15 the addition of Mary Khoshmashrab and her staff,
16 which augments our audit and internal oversight.

17 Let me turn to a couple of things that I
18 think we should call out that weren't mentioned,
19 or weren't mentioned perhaps enough at the
20 accomplishments for last year. Siting clearly
21 was mentioned, for all the hard work that Siting
22 does day in and day out, and it helps transform
23 the state and modernize the state, but works in
24 partnership with other issue areas of the state,
25 and one of those that I'll call out is shared by

1 multiple divisions, which was planning and
2 responding to the loss of SONGS, and it's
3 basically been a multi-disciplinary effort to
4 identify and analyze what the loss of SONGS meant
5 in the state, and to do a progressive plan
6 working internally among our Divisions, and with
7 other state agencies, and other players to set
8 forth a very progressive plan to advance the
9 State's Energy Grid and energy needs,
10 particularly in the Southern California region
11 with renewables, with preferred resource in the
12 absence of SONGS. So since I was kind of
13 overlapping and touched many divisions, I wanted
14 to call that out in particular.

15 In the Transportation area, a relatively
16 small staff of 34 folks working on AB 118
17 program, and yet moving nearly \$100 million in
18 advanced transportation and fuels and vehicles
19 programs, and thankfully going forward since it
20 has been renewed until 2023, so we have a lot of
21 progress that we can make on that, as well.

22 And research, I'll mention very briefly,
23 but wanted to highlight the achievements in
24 designing and launching the EPIC Program, to
25 continue advanced research related to our

1 electricity and natural gas, but while that was
2 going on, as challenging as that is, winding down
3 the PIER program and still approving \$43.6
4 million in worthy PIER projects at the same time,
5 so kind of working with both hands, being
6 ambidextrous with both projects.

7 And I think we can't say enough about the
8 work that's been done in the Efficiency arena,
9 but certainly Prop. 39 as recognized earlier
10 today was a major effort and going forward with
11 that to implement it successfully is a major
12 challenge going forward.

13 And I think, finally, in terms of
14 recognizing and calling out some of the things
15 that may be a little less visible, but were
16 accomplishments and enhancements as we've gone
17 along, little observed today was the Consent
18 item, the delegation memo, which will help make
19 our business meetings more efficient by removing
20 minor things that really didn't need to be taken
21 to the full Commission, you know, ministerial
22 types of things. We'll be able to focus more on
23 major policy and rulemaking and siting issues,
24 without having a larger and somewhat cluttered
25 agenda, which we've had at times.

1 We continue to improve our contract
2 process. We are carving away inefficiencies in
3 our contract streamlining. Commissioner Douglas
4 mentioned the very significant modernization of
5 our filing system, our e-Filing system, thank you
6 for mentioning that. Our in-house Audit shop was
7 created this year and we're beginning to increase
8 enhanced oversight not only of our internal
9 processes, but also the vast amounts of public
10 dollars that we minister and try to put to good
11 work in the State to make sure we receive our
12 full value on those funds.

13 We hired an in-house trainer to improve
14 our professional staff. We've instituted
15 professional training of our managers to help
16 their professional development, particularly in
17 light of the number of retirements that we have,
18 we had to get a renewed program to develop our
19 staff and enhance our managerial resources. The
20 in-house manager alone was done at a savings, I
21 should probably mention, because we were able to
22 do some in-house training that saves \$100,000 a
23 year externally.

24 The enforcement position that was
25 mentioned by Commissioner Douglas was created

1 this year, as well, and that's a whole new focus
2 to help us effectively carry out our new
3 responsibilities. And also important and perhaps
4 less visible is we created a green team, and the
5 green team consists of volunteers of Energy
6 Commission employees who help provide input to
7 make our operations of the Energy Commission more
8 energy efficient and more sustainable, and there
9 are signs all over the building of the progress,
10 and we're going to continue to make progress on
11 that.

12 In closing, I would want to acknowledge
13 the extraordinary support that we've received
14 from the Governor's Office and from agency. One
15 of the reasons we've been able to push the ball
16 as far forward as we can is because we have
17 unified support within the Administration at
18 those levels.

19 And finally, I want to thank you all.
20 The strengths of this Commission are derived from
21 the strengths of the Chair and the Commissioners,
22 who each bring unique but very valuable skill and
23 insight as you inform State policy and help drive
24 the State's progressive energy, and I feel really
25 fortunate and lucky to have you all as

1 Commissioners and to serve you as the Executive
2 Director. So thank you very much for that. And
3 before you move on, I have one more Business item
4 to announce.

5 CHAIRMAN WEISENMILLER: That's right,
6 please.

7 MR. OGLESBY: And it's a different
8 category entirely, so change gears. But we
9 wanted to take the opportunity during this
10 portion of the agenda to publicly put on the
11 record that we've recently changed our forms and
12 reporting system for reporting wind performance
13 generators, and so I wanted to highlight a letter
14 went out on December 2nd, but I wanted to use the
15 opportunity at the mic to kind of put on the
16 record publicly what's going on here. So very
17 briefly: "The Energy Commission has collected
18 historically wind generation data under two
19 different reporting systems, one used regularly,
20 but without robust data, and the other not used
21 in years, which was confusing, and it had poor
22 data coverage. Staff, with the assistance of the
23 Chief Counsel's Office, in concurrence from the
24 Lead Electricity Commission, drafted proposed
25 forms and instructions that blend both systems to

1 eliminate dual reporting and provide performance
2 data that is more usable to the Energy
3 Commission. No cost data will be requested. The
4 wind performance system requirements in Title 20
5 allow me as Executive Director to issue these new
6 forms and I've done this through a letter dated
7 September 2, 2013, to all owners and operators of
8 wind energy projects of one megawatt or more, who
9 offer electricity for sale from projects located
10 in California, and to entities which purchase
11 electricity from those projects. The forms and
12 instructions, which are all posted on the
13 Commission's website, will become effective
14 January 1, 2014, with the first data reported by
15 June 16, 2014. The forms were developed with
16 Stakeholder input, and staff is reaching out to
17 all recipients to answer questions and explain
18 new requirements." So thank you.

19 CHAIRMAN WEISENMILLER: Thanks. I mean,
20 probably should mention, one of the things which
21 we really put a lot of focus on this year is
22 making sure we had good data on where we stand on
23 renewables, and we are uniquely situated to
24 include data on where the POUs are and to try to
25 present that in a public fashion. But every time

1 it's then pushing to try to make sure we have a
2 complete set of data collection, and a coherent
3 no double-counting, no under-counting, but just
4 right. So that's one of the things that Heather
5 Raitt has spent a lot of time on, Laurie has
6 spent time on, certainly Kevin on my staff. And
7 certainly Sylvia's folks. So this is sort of a
8 part of that piece.

9 Let's go to Public Advisor.

10 MS. MATTHEWS: Thank you. I will start
11 off just by saying thank you to my staff, Laura
12 Murphy and Blake Roberts. And Laura holds down
13 the floor with our telephones, she has a wealth
14 of information, we get calls of every program in
15 the Commission and she always knows where to
16 direct them. And to Blake, who can competently
17 step in any time I am not here. I do also want
18 to express thanks to all the Commissioners and
19 Rob, who have been very supportive in acceptance
20 of the new ideas that I try to bring along, and
21 then encouragement as the new transition has
22 happened. And thank you for your commitment to
23 making sure that the public is involved, because
24 it certainly makes my job a lot easier. Thank
25 you to the Legal Office, Mike Levy who's support

1 and collaboration, and sometimes guidance, has
2 been very effective and helpful to me, especially
3 in sharing of resources. I am still a Lawyer and
4 I like the law, and I like to do research, so all
5 the resources that you've allowed me to have
6 access to, I appreciate that.

7 To all of the Division Chiefs, the Deputy
8 Chiefs, that have also been supportive, Roger in
9 particular, as well as the e-Filing team, I want
10 to mention that the Public Advisor's Office was
11 also a part of that, and Blake Roberts, again,
12 was very instrumental in seeing that process
13 through.

14 And lastly, I'd like to say thank you to
15 the public for attending the meetings and
16 workshops and hearings, and submitting comments,
17 because they allow us to all do our jobs better
18 when we become aware of the issues and concerns
19 that they have, so that we can better serve them
20 with the energy needs of the State. Thank you.

21 CHAIRMAN WEISENMILLER: Okay, thanks. Public
22 comment? Okay, this meeting is adjourned.

23 (Whereupon, at 1:47 p.m., the Business Meeting was adjourned.)

24

25